Austria ... Sch 15	Italy ... L 1100	Portugal ... Esc 65
Bahrain ... Din 0.650	Japan ... Y550	S. Arabia ... Rls 6.00
Belgium ... BFr 35	Jordan ... Fils 500	Singapore ... S$ 4.10
Canada ... C$2.50	Kuwait ... Fils 500	Spain ... Pta 85
Denmark ... Dkr 7.00	Lebanon ... L£ 6.00	Sri Lanka ... Rup 33
Egypt ... E£1.00	Luxembourg ... LFr 35	Sweden ... Skr 6.50
Finland ... Fmk 5.00	Malaysia ... Rm 4.25	Switzerland ... SwFr 2
France ... FFr 5.00	Mexico ... Pes 300	Taiwan ... NT $85
Germany ... DM 2.00	Morocco ... Dh 6.00	Tunisia ... Din 0.600
Greece ... Dr 60	Netherlands ... Fl 2.25	Turkey ... L 160
India ... Rup 15	Norway ... Nkr 6.00	U.A.E. ... Dh 6.50
Indonesia ... Rp 2500	Philippines ... Pes 20	U.S.A. ... $1.50

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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West Germany's approach to Williamsburg, Page 20

NEWS SUMMARY

GENERAL

Spain increases coup sentences

The Spanish Supreme Court yesterday drastically increased the sentences meted out last year by the military authorities for the rebels of the February 1981 coup.

A total of 22 sentences were changed, notably that of General Alfonso Armada, who was given a six-year sentence and will now serve 30 years. Eight of 11 acquittals were also overturned. Page 2

Shultz shuttle

U.S. Secretary of State George Shultz arrived in Israel for the second round of talks with premier Menahem Begin in the search for peace in Lebanon, as Israel warned of the threat of growing Soviet involvement in the Middle East. Page 4

Sakharov move

Soviet dissident Andrei Sakharov may take up a Vienna university post, diplomatic sources said.

Passport refused

Outspoken black Bishop Desmond Tutu due to preach in London, has again been refused a passport by South Africa.

Somali defence

Somalia said it had repulsed an attack by Ethiopian MiG-23 aircraft against the northern port of Berbera.

Athens strikes

Athens hospital doctors began another 48-hour strike as the city's bus drivers stopped work for four hours.

Explosion deaths

Two people died in what is thought to have been a volcanic eruption in Pakistan's Karonjhar Mountains.

Bribery sentence

A Soviet airport official was jailed for 12 years for accepting bribes to help smuggle cultural treasures abroad.

Massacre mistake

Ugandan army troops massacred about 30 villagers by mistake last month after receiving false information, an army officer told the Ugandan parliament.

Secretary held

Gdansk police detained the secretary of Solidarity leader Lech Walesa and searched her flat in the latest police move against the Walesa entourage. May Day test, Page 2

Frenchmen hanged

Two Frenchmen who served in the pre-independence Rhodesian army were hanged in Harare for murdering a German cafe owner.

Botha investigation

South African premier P.W. Botha ordered an investigation into the right-wing Afrikaner Resistance Movement.

War trial plea

Israel has been asked to try several alleged Nazi war criminals who face deportation from the U.S.

Birth success

Two women married to sterile men gave birth to healthy children in China's first cases of artificial insemination with frozen sperm.

Briefly...

Forest fires in north Japan made 240 people homeless.

More than 100 people died in an avalanche in southern Ecuador.

Two bombs exploded in banks in the Basque town of Lasarte.

BUSINESS

Japan records $9.18bn surplus

● JAPANESE balance-of-payments figures yesterday confirmed the country's underlying economic strength with a current-account surplus of $9.18bn. Unemployment at 2.5 per cent was the worst for 21 years and inflation was up 2.4 per cent, the lowest annual rise for 23 years. Page 20

● TOKYO: New Stock Exchange index rose 1.99 to a record 628.13 and the Nikkei Dow was up 1.77 to 8,636.56 also a record. Report, Page 33; leading prices, Page 36

● WALL STREET: the rally resumed yesterday with the Dow Jones Industrial Average closing 11.12 points up at a record 1219.52. Motor and energy stocks led the renewed advance with 94m shares changing hands. Report, Page 33; full share listings, Pages 34 to 36.

● LONDON: FT Industrial Ordinary index closed down 2.2 at 696.8. Government securities were steady. Report, Page 33; FT Share Information Service, Pages 38, 39.

● DOLLAR closed up at DM 2.4645 (DM 2.451), SwFr 2.065 (SwFr 2.0555), FFr 7.383 (FFr 7.3435) and Y237.9 (Y236.55). Its Bank of England trade-weighted index was 122.8 (122.5). In New York, it closed at DM 2.4580; FFr 7.3675; SwFr 2.0460; and Y237.85. Page 40

● STERLING closed down 65 points at $1.5595 but was slightly up at DM 3.845 (DM 3.84), SwFr 3.225 (SwFr 3.2225), FFr 11.525 (FFr 11.4975) and Y371.5 (Y370.75). Its trade-weighted index was unchanged at 84.2. In New York, it closed at $1.5620. Page 40

● GOLD fell $2.5 in London to close at $429. In Frankfurt it was down $5.75 to $428.5 and in Zurich by $5 to $428.5. In New York, the Comex April settlement was $431 ($432). Page 37

● FRENCH Finance Minister Jacques Delors is to take part in the world monetary policy talks in Washington today after all.

● BELL Canada, eastern Canada telecommunications group, is expecting a five-year extension to its telephone system management contract in Saudi Arabia.

● BOVIS International of the UK and Philipp Holzmann, a West German contractor, won a £214m contract for a stadium complex in Saudi Arabia.

● ORIENT Overseas (Holdings), Hong Kong shipping group, reported 4.5 per cent drop in net profit from HK$174.1m to HK$166.2m ($24.3m).

● VOLKSWAGEN, West Germany's biggest motor group, reported a world-wide loss of DM 300m ($122m) for last year. Page 20

● MOBIL Corporation, U.S. oil group, raised first-quarter net earnings from $244m to $250m.

● YAMAHA MOTOR, the world's second largest motorcycle manufacturer, announced the appointment of a new president in a management reshuffle. Page 22

● OSLO stock exchange reacted sceptically to plans for a merger between Borregaard and Norcem, two of Norway's largest private concerns.

● NACIONAL Financiera, Mexico's state development bank, today launches a pesos 50bn (about $450m) series of petrobonds. Page 21

● DEUTSCHE BABCOCK, West German power station and engineering group, will omit a dividend for the first time in 33 years. Page 21

The Financial Times will not be published on Monday because of the May bank holiday in Britain.

Reagan fails to unite Congress on Central American policy

BY REGINALD DALE AND HUGH O'SHAUGHNESSY IN WASHINGTON

PRESIDENT Ronald Reagan's urgent appeal for bipartisan support for his controversial Central American policies yesterday appeared to have largely failed to heal deep Congressional divisions on the issue – although he may have succeeded in winning over some of the uncommitted Centre.

Initial reaction to Mr Reagan's Wednesday night address to an extraordinary joint session of Congress was mainly on party lines – particularly in the Democrat-dominated House of Representatives.

In the speech Mr Reagan stressed the need for a continuing "security shield" for El Salvador, allowing time for negotiations to get under way and democracy to "take root." But he again firmly rejected the possibility of sending U.S. combat troops to the region.

Many leading Republicans praised Mr Reagan's speech, in the belief that it had touched a chord in the American people and would help him to win Congressional support for the $600m he said he wanted in economic and military aid for the region next year.

Democratic leaders admitted that the speech was "effective" and agreed with many points of Mr Reagan's analysis of the dangers posed by Soviet-Cuban expansionism in the U.S.'s "front yard." They continued to disagree vehemently, however, with Mr Reagan's strategy for dealing with the problem.

Senator Edward Kennedy of Massachusetts welcomed Mr Reagan's announcement that he would appoint a special envoy to Central America to promote peace negotiations and free elections. He expressed deep concern, however, that Mr Reagan's overall policy was "a prescription for wider war."

Despite Mr Reagan's conciliatory remarks about negotiations the Democrats found his approach excessively militaristic – "a road to nowhere," as one Democratic Congressman put it. The Democrats are continuing to stress the need for a ceasefire negotiations and withdrawal of U.S. support from representatives of repression in the region.

Many middle-of-the-road Congressmen, however, felt Mr Reagan had increased his chances of securing most of the military and economic aid he is seeking.

In the Senate, Mr Howard Baker, the Republican majority leader, said he believed the speech had "changed attitudes on the danger in Central America," and that several senators, including Democrats, were now calling for the bipartisan approach that Mr Reagan appealed for in his nationally televised address.

Mr Robert Byrd, the Senate Democratic minority leader, agreed that "the whole thing cuts across both parties," but predicted that at this point Mr Reagan was unlikely to win approval for his entire programme.

At the White House officials said Mr Reagan "felt good" about the response to his speech and that telephone calls and telegrams to the White House had been running about two to one in the President's favour. That is a rather low favourable rating compared to the response to many of his previous major speeches.

Washington analysts and officials continued to expect an early announcement that Mr Richard Stone, 54, a former Democratic Senator from Florida, would be appointed as the new special envoy. The announcement was believed to have been delayed, however, by Democratic objections to the right-wing Mr Stone, who served as a registered agent for the Guatemalan military Government in 1980 to 1981.

Some Democrats feared that his Guatemalan connection would impede his efforts to deal with Central American leftists. Mr Stone, however, said he had had only two missions for Guatemala – to help arrange a peace treary with Belize and to work for an improvement in

Continued on Page 20

Editorial comment, Page 18; Reagan's prestige at stake, Page 18

COMPROMISE REACHED

Brussels may seek tax on energy use

BY JOHN WYLES IN BRUSSELS

THE European Commission is likely to include an EEC tax on energy consumption as part of its final proposals for adding to the Community's budget revenues.

Details of the suggested tax are still being worked on by officials, but it seems that the Commission will insist that manufacturing industry be exempt from any such tax so as not to damage its competitive position.

Within the next few days the Commission will have to refine the plan further to decide whether service industries should be spared from the tax, and also how much money the Community should seek to raise with the charge.

The tax idea represented a compromise between Mr Christopher Tugendhat, the Budget Commissioner, who had favoured a tax on imported energy, and Viscount Etienne Davignon, the Energy Commissioner, who opposed such a levy because of its potential impact on oil producers.

The British Government will not be cheering M Davignon's victory because a consumption tax would be less advantageous for it than an import levy. The levy was seen as one means of easing the burden of Britain's payment to the EEC budget because the UK is now such a modest energy importer in comparison with other EEC countries which, as a result, would be passing over proportionally more money to Brussels.

The Commission is hoping to produce its final proposals next Wednesday, although, by all accounts, its work is not particularly well advanced. The 14 commissioners met at a country house last weekend for discussions which participants have described as "shambolic." Many commissioners have begun to wake up to the fact that their attempt to devise a financing system for the future which takes a lot of the burden off the UK and some off West Germany means that other countries will have to pay more to Brussels than they receive back from the budget.

This would be the practical effect of the tax on agricultural production which the increasingly nervous Commission is likely to suggest as one source of extra revenue. The third element after the energy tax will be the raising from 1 to 2 per cent of the so-called value-added tax ceiling. That means that each member state would pass to Brussels up to 2 per cent of its annual volume of retail sales of a common EEC basket of goods and services.

There is no great optimism in the Commission that that package will win enough support to be endorsed by member governments. But officials are pinning their hopes on agreements being forged out of the crisis that will break when the EEC has spent all its available money. That is now thought certain to happen next year but might, in certain circumstances, happen this year.

ICI profit doubles in first quarter

By Charles Batchelor in London

IMPERIAL Chemical Industries, Britain's largest chemicals company, more than doubled its first-quarter pre-tax profits to £128m ($199.6m). That exceeded London brokers' most optimistic expectations and supports industry's recent forecast of an upturn in the UK economy.

The results had been eagerly awaited after the forecast from Mr John Harvey-Jones, chairman, last Thursday, that the group would show "a distinct improvement" on the first 1982 quarter.

The company's shares rose 16p to a peak of 490p in London at one stage yesterday but later fell back to 478 to show a gain of only 4p on the day. Before Mr Harvey-Jones's comments last week they were trading at 436p.

Improved volume sales and the weakness of sterling against currencies such as the D-Mark and the dollar pushed taxable profits to £128m from £62m last time.

Total group sales rose by 13.4 per cent to £2.02bn, including chemical sales of £1.6bn. Net profit rose to £79m from £36m last time after tax which rose to £49m from £26m. Earnings per share increased to 12.3p from 5.1p.

Favourable exchange rates accounted for about £40m of the pre-tax profits increase, including £20m from the settlement of export sales made in earlier quarters.

The remaining improvement in

Continued on Page 20

Lex, Page 20; London market reports, Page 33; market prices, Page 38, 39; details, Page 23

New UK gilt for hedging election bets

BY JEREMY STONE AND MAX WILKINSON IN LONDON

THE BRITISH Government yesterday announced a new form of government security which, in effect, allows investors to hedge their bets on a Conservative or a Labour victory at the next general election.

It is the first index-linked gilt-edged stock which can be converted into a conventional fixed-interest stock.

Investors could make the switch after the election if a Conservative victory led them to think that inflation and interest rates were going to fall further.

But if the market saw the prospect of sharply rising inflation after a Labour victory they could continue to hold the stock in its original inflation-proofed form.

Investors have been given only three dates on which to convert. But these have been so designated that at least one of them must fall after the general election, which must be held by May 1984 at the latest. The last conversion date is in November next year, although the stock does not mature for a further 15 years.

The Government's overriding concern in designing this stock has been to keep up the momentum of its funding programme at a time of political and economic uncertainty while avoiding the need to raise interest rates in the run-up to an election.

The Government is anxious to sell more stock, partly because the most recent figures – for March – indicate that the growth of the money supply may be accelerating. The surge in public spending at the end of the fiscal year – £1.7bn ($2.6bn) more than predicted – will also have encouraged the authorities to increase the rate of borrowing.

The markets have, however, shown only patchy interest in gilt-edged stock recently, partly because of major uncertainty about the course of interest rates and partly because alternative investments have been performing more briskly.

The FT Industrial Ordinary index has in the past two days breached the 700 barrier for the first time as confidence in economic recovery has grown. The index closed yesterday at 696.8, falling 3.2 on the day as investors were induced to take profits.

The inflation rate for March was at a 15-year low of 4.6 per cent, and Mrs Margaret Thatcher, the Prime Minister, said in the House of Commons yesterday that inflation would fall further and that real interest rates – "which are slightly high at the moment" – would continue to come down.

Although Mrs Thatcher's comments seem designed to encourage the markets, the short-term prospects for interest rates are uncertain, since inflation is expected to start rising for a time after falling to 4 per cent or less in June.

The longer-term prospects for interest rates are dominated by election prospects, since the Labour party is pledged to embark on a major increase in spending, which would probably require a big increase in gilt-edged sales.

The tap is an index-linked 2½ per cent stock maturing in 1999.

Bankers hopeful of Nigeria debt deal

By Quentin Peel

LEADING banks involved in financing trade with Nigeria say they are confident of reaching agreement by the end of next week on proposals for refinancing between $1bn and $2bn of the country's estimated $5bn arrears on short-term trade payments.

The deal would include both European and U.S. banks who attended a meeting convened by Barclays Bank in London on Wednesday. They were seeking to resolve serious differences on how to tackle Nigeria's short-term debt, which has resulted in a majority of banks refusing to confirm new letters of credit.

One senior banker said yesterday: "There seems to be a general convergence that it will be the right thing for the banks to offer to refinance the trade debt. The questions of maturities, terms and so on have yet to be decided, so nothing will emerge for at least another week."

The banks hope to be able to present their proposals to top Nigerian Government officials who are expected in London next week after talks in Washington and New York with the International Monetary Fund (IMF) and U.S. bankers.

The key to the latest rapprochement between the banks, who had been sharply divided on the principle of refinancing short-term debt, was Nigeria's decision to start an "active dialogue" with the IMF on an economic programme to correct

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Mexico in petrobond issue, Page 21; International capital markets, Page 32

Warning for Tokyo as Paris lifts VCR import restrictions

BY PAUL BETTS IN PARIS

THE FRENCH Government has lifted its import restrictions on Japanese video cassette recorders (VCRs).

However, Mme Edith Cresson, the French Trade Minister, warned that France would not hesitate to adopt similar measures against Japanese imports if the country's trade deficit with Japan continued to deteriorate.

Mme Cresson claimed the decision last October requiring all imported VCRs to be processed by the tiny customs centre of Poitiers in central France had served its purpose. The move forced Japan to revise its attitudes towards exports to France and Europe, she said.

The French Government believed Poitiers played a key role in persuading Japan to agree last month to limit VCR exports to the EEC this year to 4.5m units compared with 4.9m units in 1982.

Mme Cresson said Poitiers also played an important part in persuading JVC of Japan to license its VCR technology to Thomson-Brandt, the large French nationalised electronics group.

The French Government welcomed the landmark licensing agreement between JVC and Thomson this week because it would enable France to develop its own VCR industry, Mme Cresson said.

The object of the Poitiers measure was to bring the flow of VCR imports into France to a standstill by creating a bureaucratic logjam at the small customs post. About 200,000 VCRs are currently warehoused in Poitiers.

Before the measures were introduced, the French Trade Ministry was forecasting sales of about 900,000 VCRs in France this year compared with 665,000 in 1982. The ministry is now forecasting sales of between 400,000 and 500,000 VCRs this year.

But the ministry said yesterday France had not imposed a ceiling on Japanese VCRs this year. The volume of imports would depend on how many VCRs the French market will be able to absorb.

None the less, a customs declaration will have to be made for each imported VCR before it can be cleared by French customs. The move is designed to enable the French authorities to keep close track of VCR imports and is not designed as a new bureaucratic obstacle, the ministry emphasised.

French officials said the 200,000 VCRs stocked at Poitiers would be cleared by customs over a four-to-five-month period to prevent them flooding the market.

Mme Cresson indicated that France expected a greater effort on Tokyo's part to import French goods. France's deficit with Japan during the first two months of this year totalled FFr 2.2bn ($299m).

There had been a small improvement in French exports to Japan last month, and France is watching the outcome of the current negotiations over the possible purchase by Japan of three Airbus aircraft, she said.

The ministry also said yesterday that the VCRs produced by Akai of Japan at its French plant at Honfleur would be considered imports. For its part, Akai's French subsidiary has already asked Thomson to supply it with VCR components when the French company begins to produce them under licence from JVC.

CONTENTS

Christopher Bobinski reports on the psychological drama to be played out in Poland at the weekend

May Day test for Warsaw's war of nerves

"WE HAVE strong nerves," Mr Mieczyslaw Rakowski, Poland's Deputy Premier, told an audience in Krakow earlier this week, referring to Solidarity's defiant calls for demonstrations to mark May Day on Sunday. Those nerves are likely to be severely tested as the Papal visit to Poland in June comes closer and the banned Solidarity trade union movement, reinforced by hundreds of former internees including Mr Lech Walesa, shows renewed signs of life.

In November, the last time Solidarity's underground leaders called for demonstrations backed by a general strike, their appeal failed. Ever since, although the psychological scars remain, the movement's supporters have been promising themselves a brave show on May 1.

They remember that the police permitted a number of more-or-less spontaneous demonstrations to take place in Warsaw and elsewhere last May. It was the first time that the movement had come onto the streets since the imposition of martial law in December 1981, and it markedly improved morale.

The belief that the authorities will refrain from intervening again this year is still strong, and many will be encouraged to join in demonstrations. But it would be surprising if the riot police did not take the risk this year of allowing tear gas to mar the serenity of the official marches celebrating the occasion.

In recent weeks the police have made a serious effort to search for the five-man Solidarity underground leadership but so far have only come up with Mr Jozef Pinior, from Wroclaw in the South West. In a "defensive barrage" of propaganda as Mr Rakowski has called it, the authorities have made it clear that they will deal "decisively" with any counter demonstrations. If they are to contain any threat from the huge crowds which will gather to greet the Pope in June, they need to demonstrate their credibility this weekend.

Although there are likely to be demonstrations in the main towns and cities, the Polish working class is still psychologically on the defensive and huge turnouts are not expected. The mass support which would be needed to swing the balance of power back in Solidarity's favour is more likely to appear during the Pope's visit.

Many people remember that when Pope John Paul II first came to Poland in June 1979, his sermons and open-air masses, which brought people together, provided the breakthrough leading to the successful strikes in the summer of 1980. Some are assuming that something similar will happen this time.

The authorities continue to maintain that the visit is on and the Pope will be alolwed in. Indeed, a successful visit may be crucial for the divide and rule policies identified with General Czeslaw Kiszczak the Interior Minister. A papal visit "strengthening the social peace" would demonstrate that the Government is in control and perhaps open the door to talks with the West, officials think.

The authorities feel that they have the upper haral over the working class at present and that this position should be consolidated by a minimum of repression. Solidarity die-hards should be isolated and condemned to the political margin, while those who have agreed to drop politics should be allowed to get on with their lives. This ws the thinking behind the freeing of Mr Walesa last November and the Government's continuing efforts to undermine his prestige with charges of financial mismanagement and tax evasion.

Renewed signs of life from Solidarity and the Pope's visit, due in June, are sowing the seeds of more protest in Poland. May Day demonstrations could provide the spark.

The policy also includes pursuing a dialogue with the Catholic church, involving concessions on such issues as church building permission and the Papal visit, in return for a commitment to peace on the streets. The authorities can thus present themselves as the defenders of the visit in the face of an embittered and irredeemably radical underground, which might by its activities, force the visit's cancellation.

But ever since Mr Walesa started making outspoken statements about the need for protests, and meeting underground leaders the policy has started to look shaky. In the past few weeks, the understanding with the church has also begun to look less firm. The bishops are at present preparing a strong private letter demanding that the authorities talk to the "authentic representatives of society," presumably meaning Mr Walesa.

Should the authorities lose their nerve and arrest Mr Walesa or break with the church, it would be an admission of failure. On the other hand, General Wojciech Jaruzelski's Government is also vulnerable to hard line criticism that its policies promising reform are failing to win support, while the church and Mr Walesa are exploiting the openings these policies provide. Such sentiment could well surface at a Polish Communist Party central committee meeting scheduled for mid-May.

It is significant that Cardinal Jozef Glemp, the Polish Primate, speaking last Sunday, warned of the dangers of this weekend's demonstration but also said that "the church has never told people how to celebrate May Day." His hope that the day would be one of "prayer and peace" could be seen as much as a warning to the riot police as to anyone else.

This absence of a firm commitment against the demonstrations is in line with what Mr Walesa was told at the Primate's palace in Warsaw recently: we don't thing that working people should forego any of their inalienable rights just so the Papal visit can go ahead, was the gist of the message.

It is precisely the Pope's personal commitment to Solidarity and the opportunity his visit presents for a reinvigoration of the movement which has prompted both the underground and its visible supporters to launch their push for agreement with the authorities.

At his latest Press conference, Mr Walesa offered to talk and said that the authorities already knew "what the movement could give up and what it couldn't." Even though it is quite possible that Solidarity's offer contains quite significant concessions, Mr Rakowski's reply in Krakow was quite clear.

"People can't call for an agreement and meet at the same time with the underground," he said referring to Mr Walesa. "This isn't the road to any kind of agreement; that has to be said clearly."

The establishment, however, is willing to envisage an agreement with Mr Walesa but on the Government's terms. But there is another danger they have to contend with: the possibility of his meeting the Pope. Such a meeting would bolster Mr Walesa's prestige and provide him with a seal of approval in the eyes of the population which no tax evasion charge could ever undermine.

If arresting Mr Walesa would be an admission of failure for the authorities, then a meeting with the Pope would be an even more severe setback to their hopes of consigning the union leader to political oblivion.

Sentences on coup plotters increased by Spanish court

BY TOM BURNS IN MADRID

THE Second Chamber of Spain's Supreme Court yesterday increased drastically the sentences handed down last summer by military authorities on the rebels of the February 1981 coup attempt.

The court increased a total of 22 sentences, including that of Gen Alfonso Armada, who was given a six-year sentence last June, and will now serve 30 years.

The new sentences followed an appeal by the Prosecutor General against an original ruling by a court martial bench of 17 generals. That ruling was criticised widely for its leniency towards the rebel officers and, in accordance with changed regulations in the military jurisprudence code, was tested before the supreme court.

The seven judges of the second chamber upheld the Prosecutor General's plea that six senior officers, among them Gen Armada, were guilty of military rebellion instead of conspiracy to rebel as the court martial had ruled.

The new verdict means that in addition to Gen Armada's maximum sentence, original terms on the other five ranging from three to six years were increased to between six and 12 years.

Lower ranking officers, who played minor roles in the February 1981 seizure of parliament, had their sentences increased from three to five years and from two to three, while eight lieutenants who were acquitted last June because the court martial ruled they had been following "superior orders" were sentenced to between one and two years.

The supreme court also upheld the 30-year sentences for Gen Jaime Milans del Bosch, who imposed a state of siege in the eastern district of Valencia, and on Civil Guard Col Antonio Tejero, who led the dramatic assault on Parliament to spearhead the putsch.

The second chamber's ruling is a milestone in Spanish jurisprudence as it is the first time that a court martial decision had been tested before a higher civilian court.

Since the establishment of a separate military code of justice at the turn of this century, a sacrosanct tradition in Spain has been that only the military is responsible for such trials.

The controversy over the leniency of the court martial sentences last June had focussedon Gen Armada, who was Deputy Chief of Army Staff at the time of the coup attempt, and had been a military instructor to King Juan Carlos.

The prosecution case against Gen Armada before the supreme court was that he had been the co-ringleader of the coup with Gen Milans del Bosch and Col Tejero.

By overturning verdicts arrived at by the court martial—which had itself sat last summer as the supreme military court—and by drastically increasing sentences, the second chamber appeared to have dealt a body blow to the military judicial system.

The latter, in its present form, is sen as anachronistic by civilian courts and at odds with the Spanish constitutional concept of a single jurisprudence.

Turkey's political hopefuls emerge from the chrysalis

BY DAVID TONGE IN ANKARA

LIKE butterflies emerging from the chrysallis, Turkey's would-be politicians seem stunned by their first moment of relative freedom.

Sunday's decree authorising a narrow range of political activities has already been followed by a dozen groups proclaiming they will form political parties.

The hopefuls of the Right have been flocking in aeroplanes to the smoke-filled salons of Ankara. The Centre-Left has been photographed gathered earnestly at an Istanbul funeral. Almost everybody else has been keeping their heads below the parapet.

From May 16, the political generation created by the generals who seized power in September 1980 can ask those generals to approve their parties. Elections are expected in October or November.

The generals have promised these elections will be held, at the latest, next spring, but in private make clear that autumn is more likely.

Many of the group leaders who have proclaimed themselves in the last four days are unlikely even to reach the first fence.

Those with staying power on the Right include retired Gen Turgut Sunalp, who appears to have the backing of the military, and Mr Turgut Ozal, the general's former economics overlord, who fell after a banking crisis last summer.

Facing them on the Centre-Left are numerous figures contending for the mantle of the now-banned Republican Peoples Party. This traces its origins to Kamal Attaturk, founder of the Turkish republic and mentor of today's generals.

Professor Erdal Inonu, a son of a former leader of the RPP, is one name mentioned here while a second is Mr Ismail Cem, a former director of the Turkish Radio and Television.

Totally silent in this sudden clamour are Mr Suleyman Demirel and Mr Bulent Ecevit, the former Prime Ministers, who headed the country's major parties—respectively the Justice Party on the Right and the RPP on the Left—before the coup.

These two, together with 114 other former politicians, are forbidden from making "oral and/or written statements on the past and future political and judicial conditions of Turkey."

The two former Prime Ministers are today rigorously respecting this ban despite their questioning its legitimacy. But for all their silence their influence persists.

Mr Demirel, for instance, is believed by embassies in Ankara to have blocked retired Admiral Bulend Ulusu, the general's Prime Minister, from entering politics.

Mr Ulusu has recently announced that he would not head a political party and the embassies argue that this is because he has failed to ensure the support of the local party notables from the Justice Party.

Mr Ulusu's decision is presented by observers in Ankara as evidence of the dilemma facing the generals as they realise that the organisations of the parties they have long denounced remain a force to be reckoned with.

The generals' calculation is that once new leaders emerge, the figures from the past will be squeezed to one side, officials say.

But for the time being, the old party representatives in the villages housing most of Turkey's 50m people appear to keep an eye on the smoke signals being sent by their former leaders.

Most politicians argue that the "guided democracy," whose rules have been laid down by the generals during the 31 months in office is a far cry from the relatively liberal—but troubled—regime of the past.

Thoroddsen resigns as Iceland's Prime Minister

BY JOHN MAGNUSSON IN REYKJAVIK

DR GUNNAR THORODDSEN, Iceland's Premier, has told Mrs Vigdis Finnbogadottir, the President, that his three-year Left-Centre coalition Government has resigned.

The move comes only five days after indecisive parliamentary elections.

The President has asked Mr Thoroddsen's cabinet to remain as a caretaker government until a new government can be formed in the next week or two.

Leaders of all the political parties, including the feminist group, which gained three seats in Althing (Parliament), had separate meetings with the President yesterday.

It is expected that the President will ask Mr Geir Hallgrimsson, leader of Iceland's largest party, the right-of-centre Independence Party, to try to form a majority Government.

Mr Hallgrimsson's party, which gained 38.7 per cent of the total vote and 23 seats out of the 60 in the Althing, now has best chance of forming a workable coalition, which has the unenviable task of fighting the galloping inflation, now running at 80 per cent.

The new Government must tackle the severe economic problems of the 235,000 Icelanders in the shortest possible time in order to pull the country from the brink of collapse.

The Icelandic krona, for example, needs a substantial adjustment compared with all major Western currencies, which means a substantial devaluation within weeks.

Icelanders are now faced with growing unemployment for the first time since the depression, and the fishing industry is particularly badly hit.

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France faces fresh wave of protests

By David Marsh in Paris

FRANCE faced fresh street protests yesterday from demonstrating farmers and students, bringing grievances over agricultural prices and educational reforms into the public eye with a new intensity.

Farmers protesting against the EEC system of subsidies which penalise French farm exports out subsidies imports from "hard currency" countries like West Germany, went into action again to block trucks bringing in foreign agricultural produce.

Their tempers were not cooled by news of the failure of the Luxembourg EEC farm negotiations, where France had been pleading for a phasing out of the Monetary Compensation Amounts (MCAs) which make French farm exports uncompetitive.

Paris had already seen violent demonstrations on Wednesday when riot police clashed with students protesting against government plans to narrow the university selection process for law and economics studies.

Yesterday an estimated 5,000 students marched anew in the streets of Paris. Protests against the Socialist administration's proposals to "professionalise" higher education are planned for today in a string of other university towns.

In a separate show of force medical students—numbering about 8,000—marched on Napoleon's military hospital, the Invalides, on the Parisian Left Bank.

They are involved in a dispute over health service cuts.

This week's farmer and student demonstrations have fanned the more general flames of discontent over the government's plans to cut living standards this year.

Stoking the embers of protest within the Socialist party, Jean Poperon, second in the party's hierarchy, issued a document criticising the government for modifying Socialist policies under economic pressures.

Parliament rejects strategy to tackle unemployment

BY JOHN WYLES IN BRUSSELS

THE European Parliament yesterday rejected a strategy for fighting unemployment featuring a 35-hour working week and the commitment of 1 per cent of Gross Domestic Product to special programmes.

Instead, centre-right parties used their majority to urge EEC governments to intensify, rather than change, their economic and social policies.

Although the Parliament lined up behind the principles of reducing working time and of special aid for the young unemployed, the left-wing parties were bitterly critical of the way in which the majority had thrown out any serious challenges to economic orthodoxy.

The main resolution on unemployment called for a European "Employment Pact" which would lead the EEC out of recession through the co-ordination of economic, monetary, social and other policies.

Governments were urged to step up their efforts to encourage productive investment and the two sides of industry advised to operate pay and prices policies to help generate greater private investment.

The Parliament affirmed the need to do away with obstacles to trade within the EEC, to build up small- and medium-sized businesses and to fight racial discrimination in employment.

The 37-clause resolution went on to demand the creation of a single market for micro-electronics and greater all-round co-operation between European high technology companies.

Despite other differences, left and right were united last night in believing that the session on unemployment had achieved its objective of publicising the Parliament's concern.

The European Community's annual inflation rate was almost unchanged at 9 per cent in March despite a fall in consumer prices in West Germany and Denmark, the Community's statistics office said yesterday, Reuter reports from Luxembourg. Compared with one year ago, the inflation rate has dropped by almost three percentage points, it said.

Three member states—the Netherlands, West Germany and Britain—have managed to push inflation below 5 per cent, but the inflation rate remains high in, for example, France and Italy.

EEC farm price talks break up in confusion

BY LARRY KLINGER IN LUXEMBOURG

EEC FARM price negotiations broke off in confusion yesterday despite a potential settlement of the Franco-German dispute over monetary issues which have blocked a settlement for more than a month.

Following overnight discussions lasting nearly 17 hours, the EEC Agriculture Ministers postponed yet again until May 16 attempts to fix guaranteed farm prices for 1983-84, when it became clear that several other issues could not be settled immediately.

Italy, in the grip of a fresh governmental crisis, found it impossible to relax its insistence on European Community approval for hefty interest rate subsidies.

France, under increasing pressure from its volatile farming lobby, was seeking extra benefits, especially for its pork producers, and Belgium continued to press for higher milk prices.

Significantly, however, Britain seemed prepared to accede to West German requests for a 1 per cent revaluation of the European Currency Unit, the Ecu, by taking into account sterling's 8 per cent appreciation since last month's realignment within the European Monetary System (EMS).

Mr Peter Walker, the British Agriculture Minister, did not rule out the UK's approval of the scheme.

'Therapy' call for Portuguese industry

By Diana Smith in Lisbon

THE PORTUGUESE economy needs shock therapy if it is to recover, according to Sr Rocha de Matos, the president of the Association of Portuguese Industry (AIP).

He said in Lisbon that rigid monetary policies, cuts in imports, reduction in public spending, containment of social security benefits, and the elimination of subsidies must be applied strictly.

In addition to these "shock" measures, he said, there must be a new law defining borders between the public and private sectors. He maintained that the rules of the market economy are systematically ignored, leaving private companies in untenable situations.

The tough action for which Sr Rocha de Matos has appealed differs little from the curative measures that leaders of the Socialist Party have accepted as necessary for Portugal's stagnant, indebted economy.

Because such measures will hold back Portuguese living standards, Sr Mario Soares, the Socialist leader, has long said that if his party fell short of an absolute majority in the April 25 elections, he would seek a coalition that would make leaders of other parties jointly responsible

At the moment, the only party keen to join the Socialists is the Communist Party (PCP). The PCP, which came third in Monday's election with nearly 19 per cent, of the vote and three more seats than in the last legislature, is demanding an urgent meeting with the Socialists to discuss "institutional bases for forming a democratic Government." Sr Soares and the majority of Socialists are opposed to arrangements with the Communists.

The Christian Democrats, who took only 12 per cent of the votes and lost 13 seats, have opted for opposition this time. The Social Democrats, Monday's runners-up, are bitterly divided over coalition with the Socialists. The chronically-aggressive Lisbon branch, instrumental in the downfall of the outgoing Premier, Sr Francisco Balsemao, has categorically rejected an alliance

Bonn shows trade surplus of DM 3.5bn in the first quarter

BY JAMES BUCHAN IN BONN

THE SURPLUS on West Germany's trading accounts continued its upward movement in the first quarter with the current account showing a plus of DM 3.5bn ($1.43bn) against a deficit of DM 800m in the first quarter of 1982.

According to figures issued by the Federal Statistical Office yesterday, the trade surplus in the usually strong month of March climbed to DM 5.5bn against DM 3.7bn, aided by a bigger jump in exports to DM 40.1bn (February DM 33.1bn) than in imports at DM 34.6bn (February DM 29.4bn). The current account was also in surplus, up from DM 1.1bn in February to DM 2.7bn in March.

The March figures confirm expectations that the current account surplus this year will exceed even last year's plus of DM 8.1bn after three years in the red.

While exports, which were surging in the first half of 1982, are expected to rise only nominally, imports will grow even more slowly. Domestic demand is recovering only weakly after three years of recession, while as much as DM 15bn could be lopped off the oil import bill.

Present expectations for the current account surplus in 1983 range from DM 10bn to as high as DM 15bn.

With inflation, at 3.5 per cent as an annual rate in March, expected to fall closer to 3 per cent for 1983 as a whole and no pressure on the currency expected from the trade accounts, domestic conditions at least remain favourable for an easing of interest rates towards the end of the year.

Irish finance bill boosts tourism

BY BRENDAN KEENAN IN DUBLIN

THE IRISH Finance Bill, published yesterday, has remained close to the budget plan of Mr Alan Dukes, the Finance Minister, except for a reduction in value-added tax on hotel accommodation from 23 per cent to 18 per cent to help buttress the country's tourist industry against severe competition.

There is expected to be little change in the budget estimates, which project a 17 per cent increase in tax revenues this year, and a fall in government borrowing to I£1.7bn ($2.2bn), or 13 per cent of gross national product.

The bill places strong emphasis on tax evasion, and gives greater powers to the authorities as well as allowing tougher penalties. The Government is anxious to placate the unions in their demands for a fairer tax system. The first strikes in protest at tax levels are expected to begin next week. The new penalties include imprisonment for up to five years on indictment and up to 12 months on summary conviction. A greater deterrent may be the decision to publish the names of all those who have been fined or been penalised for tax offences.

Tax appeal hearings in the upper courts will be held in public. In serious cases, tax inspectors will be able to require a full disclosure of assets and to seek a court order to obtain information on transactions made through financial institutions.

The Government is to go ahead with the introduction of Advanced Corporation Tax, which is expected to raise I£ 10m from industry in a full year. The measure will affect companies which pay little or no corporation tax because they benefit from accelerated capital allowances, stock relief and other reductions in their taxable profits.

Ireland's flourishing pirate radio stations will be themost obvious victims of a provision to make income from illegal activities liable for tax. More serious lawbreakers could also find their 'gains' subject to assessment as "miscellaneous income"

Nato exercise may provoke Spain

BY OUR GIBRALTAR CORRESPONDENT

A NATO exercise in the Gibraltar area next week could spark off a new Spanish protest, following the outburst in Madrid a fortnight ago when a flotilla of British warships, including the aircraft carrier, HMS Invincible, carried out exercises in the area.

Next week's exercise, code named "Locked Gate," will take place in the Iberian Atlantic and Western Mediterranean sea areas from May 3 to 10.

Ships from Britain, the U.S., Italy and Portugal will be taking part as well as Nato maritime patrol aircraft from Britain, the U.S., the Netherlands and West Germany.

Eleven of the warships taking part, which include frigates and support vessels, will call at Gibraltar this weekend. Other Nato ships are also due here for operational reasons.

Anglo-Spanish relations about Gibraltar are at a low ebb following the unexpected Spanish protest two weeks ago. Mr Francis Pym, the UK Foreign Secretary, and his Spanish counterpart, Sr Fernando Moran are reported to have avoided each other at a Foreign Ministers meeting in Luxembourg on Monday, following the recent controversy.

Meanwhile, relations at a local level have also gone sour. Fewer people are crossing the partially opened Spanish frontier. Hopes that the 1979 Lisbon agreement would be implemented this spring have faded almost completely.

Under the agreement, Spain would remove all restrictions on Gibraltar, and Britain would agree to talks on all subjects, including the sovereignty issue. But when Sr Moran visited Britain last month, he wanted pre-conditions about equality with EEC nationals for Spaniards in Gibraltar and some form of guarantee that the Lisbon process would end in Spain recovering sovereignty over the Rock. Britain saw this as a redrafting of the agreement and would not budge. The Spanish protest about the British flotilla's visit earlier this month followed Sr Moran's return to Madrid.

Sig Amintore Fanfani: to resign by weekend

Fanfani coalition bows out

By Rupert Cornwell in Rome

SIG AMINTORE FANFANI last night went before the Italian Senate to acknowledge the demise of his five month old coalition Government, and the certainty of a general election to be held, barring last-minute surprises on June 26.

Earlier, Sig Fanfani outlined the contents of his speech to a meeting of his cabinet, composed of ministers from his own Christian Democrat Party, the Liberals, the Social Democrats and the Socialists.

It was the Socialist withdrawal of support a week ago which brought about the downfall of his Government, Italy's 43rd since the end of the Second World War.

By the weekend at the latest, the Prime Minister will present his resignation to President Sandro Pertini.

The Head of State has indicated that he will carry out the briefest of consultations only, to ascertain that there is no chance of forming a successor administration.

Assuming this is the case, early next week he will sign the decree dissolving parliament, a year before it would constitutionally expire in June 1984, and the campaign, already half started in practice, will formally begin.

OVERSEAS NEWS

Shultz steps up search for peace in Lebanon

By David Lennon in Tel Aviv

THE U.S. Secretary of State, Mr George Shultz, is due to *have the second of a series of* private talks with Mr Menahem Begin, the Israeli Prime Minister, this morning as his search for a solution to the Lebanese problem moves from *the exploratory to* the negotiating phase.

Mr Shultz is now firmly launched on his Middle East shuttle, which he hopes will produce a withdrawal of all foreign forces from Lebanon. He met the Lebanese President Mr Amin Gemayel, in Beirut yesterday, after an early morning meeting with Mr Begin

Israel yesterday completed a lengthy presentation of conditions for *withdrawing its* forces from Lebanon, and officials now expect Mr Shultz to move from the role of listener to the more active one of mediator.

Mr Shultz's primary task is to find a way of breaking the deadlock over future security arrangements

The key question remains the future role of the rebel Lebanese leader Major Sa'ad Haddad, with the role of the UN peacekeeping forces being a secondary but as yet unresolved issue.

There were indications yesterday that *Israel might show* a little more flexibility on these issues.

On the UN forces, Israel might agree to the iternational force remaining in Southern Lebanon provided it is not given *any major role in ensuring* the security of the area against infiltration by Palestinian guerrillas.

Nora Boustany adds from Beirut: Mr Shultz vowed to "*redouble*" U.S. *efforts to* bring peace to Lebanon. His visit follows the tragic bombing of the U.S. embassy 10 days ago, in which at least 63 people died.

Thanking the Lebanese for their sympathy and support over the tragedy, he pledged: "I am determined to reciprocate this friendship by a redoubled effort to help bring your country closer to peace."

He told journalists aboard his aircraft that he expected to be in the area "for a while." He added that he would go to Syria, "if I am welcome." Damascus pointed out yesterday that no definite date had been set for Mr Shultz's visit.

Richard Cowper explains why political uncertainty in Bangkok could stymie democracy

Stakes may be too high for the Thai army

TEN DAYS after Thai voters went to the polls to elect a new *parliament,* a tense air of uncertainty continues to hang over the country, which is still without a new government. The 10 political parties, none of which obtained an overall *majority,* remain locked in a bitter wrangle over who should form the ruling coalition.

The one element of stability was the widespread desire by both civilian politicians and *the armed forces to see out*going Prime Minister General Prem Tinsulonanda stand for a second term. Two days ago Gen Prem shocked the nation by announcing that he intended to quit politics. Although it now seems that he is willing to reconsider, if the uncertainty persists.

On the surface whether Gen Prem stays or goes may not seem to matter in the game of musical chairs that is Thai politics. In reality however, he may be the only candidate capable of bridging the growing gap between the armed forces and the civilian politicians, *who have been locked in a dan*gerous conflict over the new constitutional measures which came into force last Friday. These return the country to full civilian democracy and deprive the army of its former stranglehold over Government and politics.

For the military, the stakes are high. In the last government, 11 out of 44 Cabinet members were military men who controlled all the key Ministerial postions, including Premier, Defence, Home Affairs, Industry and Foreign Affairs. Many state enterprises have traditionally been run by military men and with their virtual monopoly of seats in the once-powerful senate Thailand's armed forces controlled almost all *the levers of power.*

In a society where corruption is widespread and political power and influence bring sizeable economic rewards, the military elite has also been a major beneficiary of Thailand's fast-expanding economy. Apart from controlling a substantial proportion of the official budget, officers have often served as honorary directors of private companies and many have built up considerable fortunes. Corruption at the top is believed to have been one of the key reasons *for* the overthrow of Prime Minister Gen. Kriangsak Chomanand in 1980 by a group of middle-ranking army officers.

With the rise of a rich industrial and merchant class now *challenging the military for* political as well as economic power, the military elite is no longer the richest group in Thai society. But as one military expert *puts* it: "Financially the army just can't afford to lose its grip."

If past experience is any guide it may be only a matter of time before the military regains its dominant position. Whether this will be achieved peacefully or not *remains* unclear. Since the *overthrow* of the absolute monarchy in 1932 Thailand has had 19 Prime Ministers, less than half of them civilians. The civilians have been in power for only seven out of the last 50 years. Most were ousted by coups d'etat.

The Thai army has turned the bloodless coup and coup attempt into an art form, using it almost at will to overturn unsympathetic civilian regimes. The most recent took place on *April Fool's Day two years ago.*

This coup attempt failed when the Thai monarchy sided with the military-led Government of Gen Prem and middle-ranking officers were unable to get the *backing of senior* generals.

The army has *three claims* to political supremacy. First, it has been the one *stabilising force in* Thai politics, helped by support from the Thai monarchy.

Second, internal and external threats to the country's security make it essential for the army to play a dominant role. Third the army claims that civilian leaders and parties have shown themselves to be corrupt, inefficient, and incapable of uniting the country and providing a stable government.

Such claims are fiercely contested by politicians, students and academics who favour democratic civilian rule. The *instability* caused by constant changes of Government has been largely a result of direct military intervention, squabbling within the army and failure to allow the peaceful *development* of a viable parliamentary system, they argue.

Almost everyone concedes that a powerful army is essential for security. But despite spending several billion dollars on modernisation in the last three years military analysts say that the 233,000 strong army, navy and air force could not *hold off* the Vietnamese Army for more than a week.

The army's record is not as unhappy as it sounds. Most coups have been bloodless and most Thai governments have been much less authoritarian than those in nearby Singapore or Indonesia. The *Thai* Press *is among the most free in south*east Asia and the problems of poverty and landlessness are less prevalent than in many of the world's developing nations. The army has resisted the temptation to interfere with the economy and Thailand has a dynamic private sector.

The rising star in the military establishment, army Commander-in-Chief Gen Kamiang-Ek, marshalled many of these arguments when he led the recent abortive attack to amend the country's constitution. Though he has yet fully to assert his authority over all three branches of the armed forces, many believe that this ambitious 57-year-old, who has never fired a shot in anger, may assume the mantle of leadership quite soon.

But anything is possible. There is even an outside chance that the army may see the benefits of accepting a less prominent role, and allow the country to *develop,* albeit *slowly,* a *more democratic government.*

Gen Prem . . . shock regisnation

VIETNAM announced yesterday that it intends withdrawing part of its army in Kampuchea next month, Alain Cass, Asia Editor, writes. The withdrawals, which *follow* some of the *fiercest fighting along the* border with Thailand between Vietnamese troops and Khmer guerrillas, will start on May 2, and will be completed by the end of the month.

This is the second year running that Hanoi has announced that it is withdrawing troops from Kampuchea. The Government, aware that the announcement is likely to be received with scepticism both by its non-Communist neighbours and the West, is arranging for a large party of Western journalists to "witness the withdrawal."

For the first time it has *also given specific dates for* the pull-out and named the units to be withdrawn. These are stated to be the Cuu Long Army Corps—which it says comprises "a group of divisions"—*as well as the units,* dependant technical units."

Vietnam invaded Kampuchea in 1979 to depose the Khmer Rouge headed by Pol Pot and instal the régime of Heng Samrin. At the time, it had 180,000 troops in the country.

Hanoi now claims these have been reduced to just over 150,000. Western diplomats in Bangkok have been told, privately, by their Vietnamese counterparts that a further 15,000 will be pulled out next month.

The formal announcement of the withdrawal was made at a *summit meeting* of Kampuchea, Laos and Vietnam in February. Yesterday's announcement said this was being done "due to the secure and stable situation in Kampuchea."

Semi-industrialised status for Saudis 'by 1985'

BY RICHARD JOHNS

SAUDI ARABIA should rank as *a semi-industrialised country by* 1985 when its steel and petrochemical projects are fully on stream, according to Sheikh Zaki Yamani, Minister of Oil.

Their contribution to the kingdom's GNP is set to raise manufacturing industry's share to 55 per cent, he told a "Mantech" symposium organised by the Fellowship of Engineering and financed by the Honda Foundation of Japan.

"This percentage is high enough to shift the position of Saudi Arabia in 1985 to the category of the semi-industrialised group of countries which comprises South Korea, Brazil, Argentina, Taiwan, Hong Kong and Singapore, Sheikh Yamani claimed.

The share of small industry, including refining, in total production of goods and commodities in Saudi Arabia in 1982 amounted to only 27 per cent.

Advantages from the new petrochemicals and steel capacity would *not* be confined to the added value contributed by them to the economy, Sheikh Yamani continued.

They would spill over to other small industries acting either as tributaries for supplying large industries with materials, spare parts and maintenance or to newly-formed plants processing some of the production from the big projects.

IMF team due in Liberia

By Peter Blackburn, recently in Monrovia

AN IMF team is due in Monrovia early next month to review implementation of a one-year SDR 55m (£38m) standby programme and discuss a fourth programme next year.

The visit comes as Liberia faces difficulty limiting borrowing from public banks to the IMF ceiling of $194m. The government has borrowed heavily from local commercial banks, which recently had to double their reserves held at the national bank. They have also been asked for another quarterly $10m bridging loan.

The government is, however, expected to meet the IMF's mid-May target of eradicating its arrears on debt servicing, thanks mainly to U.S. aid.

S. Africa power supplies threatened by drought

BY BERNARD SIMON IN JOHANNESBURG

THE CONTINUITY of South Africa's electricity supplies is threatened by water shortages resulting from the present severe drought.

Mr Piet du Plessis, Minister of Mineral and Energy Affairs, told Parliament that power supplies may have to be rationed later this year.

The electricity supply commission (*Escom*) has already begun discussions with large electricity consumers on how best to spread the burden of rationing. The mining industry is by far the largest single user accounting for about 30 per cent of Escom's sales.

Most of South Africa's newest and largest coal-fired power stations are located near coal deposits in the Eastern Transvaal where the drought has been most severe.

The output of the Camden station has already been reduced while one smaller power station in Natal has had to be closed until water supplies improve. Escom's generating capacity presently stands at around 21,700 MW.

Mr du Plessis said that dams supplying the Eastern Transvaal stations will be virtually dry before the start of the next rainy season in October, and the Government and Escom are to spend about R80m (£50m) to reorganise the country's power grid.

Mr du Plessis warned that the water shortage is likely to lead *to a substantial increase in elec*tricity generating costs.

Sikhs given ultimatum

By K. K. Sharma in New Delhi

THE INDIAN Government yesterday gave an ultimatum to the political and religious leaders of the Sikhs of Punjab by asking them to surrender within a week alleged lawbreakers taking refuge in the Golden Temple in the Holy City of Amritsar.

Since the ultimatum is unlikely to be heeded, a major confrontation is in the offing.

The ultimatum was given by Mr P. C. Sethi, Minister for Home Affairs during a debate in Parliament. There are strong indications that police will be asked to enter the Golden Temple to *carry out arrests.*

The Government has been under pressure on the issue after a police officer was killed *outside* the temple last Monday *by a Sikh, who is believed to have sought sanctuary inside.*

Australian inflation now 11.5%

AUSTRALIA'S annual inflation rate in the three months to March rose to 11.5 per cent from 10.6 per cent in the same quarter last year, dramatising the difficulties faced by the Labour Government in Canberra, Michael Thompson-Noel reports from Sydney.

Labour is committed to expanding the economy and lowering the inflation rate simultaneously, but the high inflation rate — more than twice that of Australia's major trading partners — could strain the prices and incomes pact between unions and government.

NZ heads for wage confrontation

The New Zealand Government and trade unions are heading for a confrontation over wages policy at the end of the 12-month wage freeze in June, Dai Hayward reports from Wellington.

The unions are demanding a minimum NZ$20 per week increase across the board. Mr Robert Muldoon, the Prime Minister, has said he thinks a $2 a week increase is about the right level, and the employers say they cannot afford any wage increase at all if the benefits of the freeze are to be maintained.

Manila investment law

The Philippine Government, badly in need of foreign exchange, yesterday passed an investment law granting more incentives to local and foreign companies which venture into export-oriented enterprises, Emilia Tagaza reports from Manila. The Bill allows new projects tax credits equivalent to 5 per cent of net value added for products of "non-pioneering" projects, and 10 per cent for those of "pioneering" projects. It also offers tax credits equivalent to 10 per cent of net local content of export sales.

Collision agreement

China and the Soviet Union have reached agreement concerning a collision between a Chinese freighter and a Soviet factory ship two years ago, China's official Xinhua news agency reported, AP reports from Peking. The two sides will meet in London to settle the issue in accordance with the navigation laws of a third country — Britain, Xinhua said.

AMERICAN NEWS

Brazil backs Mexico peace initiative for Central America

BY WILLIAM CHISLETT IN MEXICO CITY

BRAZIL moved yesterday to back Mexico's peace initiative for turbulent Central America and sharply criticised U.S. policy towards the region.

Gen Joao Baptista Figueiredo, the Brazilian President, said in the Mexican Caribbean island of Cancun, where he ended two days of talks with President Miguel de la Madrid, that the U.S. was indirectly responsible for pushing Nicaragua towards the Soviet bloc because it had failed to address the region's economic problems.

He said that Brazil would not back Washington's policy of increased military involvement in Central America because it "undermined the right to self-determination."

The Brazilian President's remarks were particularly significant because they came only 10 days after Brazil seized four Libyan aircraft carrying weapons to Nicaragua. The incident seemed to indicate that Brazil was co-operating with Washington.

Mexico, which has long taken issue with U.S., policy over Central America, is rallying support for the Contadora initiative, which is named after the Panamanian island where Mexico, Colombia, Panama and Venezuela met earlier this year to discuss ways to launch a negotiated political settlement to end the prolonged civil war in El Salvador and ease tension between the U.S. and the left-wing Government of Nicaragua.

President de la Madrid reiterated Mexico's position at a dinner speech on Wednesday when he said that his Government could not go along with the "simplistic conspiracy theory" – a reference to Washington's insistence that Moscow is behind the troubles in Central America.

Mexico and Brazil were also expected to sign a trade barter agreement which could double bilateral trade to $2bn.

Chile close to finalising rescheduling proposals

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

CHILE IS close to finalising detailed rescheduling proposals covering the deferment of some $3.5bn in debt due to foreign banks this year and next. Details of the scheme are now expected to be circulated to the banks over the weekend.

In a telex to creditor banks this week Sr Carlos Caceres, Finance Minister, and Sr Hernan Felipe Errazuriz, Central Bank Governor, spoke of "excellent progress" in the debt renegotiations, but requested that the current standstill on repayments of principal to commercial banks be extended for a further three months when it expires next week.

This will allow time to implement the rescheduling arrangements, which are also expected to include a fresh loan of some $1.4bn. As already reported, interest on the eight year rescheduling is expected to be charged at a margin of 2¼ per cent over Eurodollar rates or 2⅛ per cent over U.S. prime.

Sr Caceres is expected to fly to the U.S., Japan and Europe in early May to explain the rescheduling proposals to commercial banks.

Separately Chilean bankers said yesterday that the country recorded its first increase in foreign reserves since last August in the second week of April with a gain of $100m, but the reserves are still below the $2bn floor prescribed by the IMF.

Ecuador near accord on private sector debt

BY WILLIAM HALL IN NEW YORK

ECUADOR is close to finalising the rescheduling of $1.6bn private sector foreign debt. It has already completed the rescheduling of $1.2bn public sector debt.

Representatives of the 120 international banks which have loans to Ecuador were discussing a complex private sector rescheduling package in New York yesterday. Bankers associated with the discussions said that the proposals had a good chance of being accepted, the main elements of the proposals are:

- Banks have been asked to extend their current private sector obligations for seven years or they can exchange these obligations for new obligations of an equivalent amount with the Banco Central, the country's central bank.
- If banks go for this second option they are asked to put up an additional 20 per cent of whatever their obligations are to Banco Central.
- Ecuador also wants $450m of new money which will be put up on a pro rata basis.
- Banks are asked to maintain their interbank lines for trade finance.

The reaction of one banker close to the negotiations was that the package was manageable and the rates, which have not been disclosed, were "very attractive." Bankers believe that many of the international banks involved will want to convert their private sector obligations into central bank obligations even though this involved putting up new money.

Plea over gold debts

BY WILLIAM HALL IN NEW YORK

THE FLORIDA Attorney-General's office is seeking court approval for the liquidation of the International Gold Bullion Exchange (IGBE), a fast-growing Florida-based gold dealer, which, by some estimates, could have debts of $200m.

The IGBE has filed for protection under Chapter 11 of the Federal Bankruptcy Code, listing debts totalling $4.8m to its 46 biggest creditors. The Florida Attorney-General's office believes the debts could be much higher, and says that it will seek court approval shortly for the liquidation of the company, which is based in Fort Lauderdale.

Over the past couple of years the company has been on e of the fastest-growing gold retailers in the U.S. and won much of its business through national newspaper advertising. It offered investors cut-price gold, provided they delayed taking delivery for three to four months.

There has been a rising tide of consumer complaints, alleging that the delays were becoming longer and in some cases that the gold never arrived.

BASE LENDING RATES

A.B.N. Bank	10 %	Grindlays Bank	‡10 %
Al Baraka International	10 %	■ Guinness Mahon	10 %
Allied Irish Bank	10 %	■ Hambros Bank	10 %
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10 %	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11½%
Bank Leumi (UK) plc	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank Street Sec. Ltd.	10½%	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10½%	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	11 %	Whiteaway Laidlaw	10½%
Citibank Savings	¶10 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10 %
C. E. Coates	10½%	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10½%		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1-month 7.00%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¼%.
§ Demand deposits 6¾%
¶ Mortgage base rate.

Andrew Whitley, recently in Georgetown, finds a 'basket case' in a state of near ruin

Guyana's Garden of Eden withers away

THE ROADS from the airport in developing countries run by authoritarian, egotistical rulers almost invariably follow the same pattern. A broad swathe of well signposted concrete, flanked by flagpoles and bunting, points the way towards the capital city. A triumphal arch is often deemed appropriate, or perhaps a statue of the ruler's father. Half a mile down the grand highway the concrete usually begins to run out and the potholes start to appear.

But this is not so in Guyana. The first-time visitor to Georgetown is surprised, after emerging from a thorough search by customs to be confronted by a thin wriggle of tarmac resembling an English country lane abandoned since the Second World War.

In theory, the Co-operative Republic of Guyana, to give the country its formal title, is a socialist state dedicated to increasing the opportunities for its citizens to participate in decision making and the management of the state

Sadly, as is usually the case, the more high-sounding the rhetoric, the further it is from the truth. In reality, Guyana is run by and for Mr Forbes Burnham, President for the past 13 years and before than Prime Minister since independance in 1966.

National elections are due before December 1985, but even Mr Cheddi Jagan, an old-style, Moscow-line Marxist who is the main opposition leader, already knows who will be the victor. President Burnham's People's National Congress party controls 53 of the 65 seats in the National Assembly, against ten held by Mr Jagan's People's Progressive Party.

Ever since the assassination three years ago of Mr Walter Rodney, a charismatic Left-winger who appeared to be gathering popular support, the PNC's control of the political scene has been unchallenged.

Freed from any considerations of opposition, the President's supporters are busying themselves by creating a personality cult around their 60-year-old Comrade-Leader. During recent celebrations to mark his birthday, Mr Burnham was hailed as the Kim Il-Sung, Mao Tse-Tung and Lenin of Guyana.

Rumours that he is tired, or sick and may soon step down in favour of his Vice-Presidents in the PNC circulate in Georgetown, but appear to have little substance, for the moment. Nor does the recent talk of a possible military coup to rescue the country from its present stagnation carry much credence, according to Western diplomats.

Guyana is in a state of near ruin, a "basket case" comparable to Zaire or Bangladesh, but with no excuse of population pressure or lack of natural resources to fall back on.

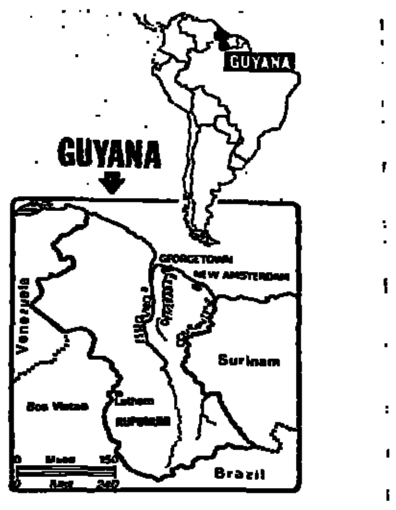
Mismanagement, corruption and the dead hand of state control in almost every sector of production and internal distribution are responsible. The extravagence of President Burnham, determined to cut a fine figure on the international stage, has also played its part.

Under pressure from the International Monetary Fund, Guyana has taken some important steps over the past year to dismantle parts of the state apparatus in the economy. Bauxite and rice, two key commodities, have been the first to benefit.

But other necessary complementary measures, such as the decontrol of rice prices, have been ignored on political grounds. The Government does not wish the handful of already wealthy, large rice farmers to benefit further.

Besides, a campaign is in full swing to change Guayanese eating habits away from imported wheat in favour of rice. "Eat what you produce" is the constant exhortation on billboards and in the state-controlled media.

If Mr Burnham were to drive in from the airport, instead of travelling by helicopter, he would have to pass by "Thirst Park," home of Banks Brewery, the largest and most successful example of free enterprise in Guyana.



Banks DIH is the life work of Mr Peter D'Aguiar, an active, 71-year-old of Portuguese extraction. Briefly, nearly 20 years ago, he went into politics in a shotgun marriage with the ambitious Forbes Burnham, aimed at keeping Mr Jagan's Communists out of power.

Today, the paucity of alternative leadership to Burnham is such that once again there are calls from members of Guyana's white community and from some East Indians for Mr d'Aguiar to challenge his former ally.

But, like most members of Guyana's middle class, the one-time Deputy Prime Minister now spends most of his time abroad and has resigned himself to the present state of affairs.

Secondary economy flourishes under the hucksters

MORE THAN three tonnes of gold was produced in Guyana's Rupununi region, in the south of the country, in 1981, according to local inhabitants. Worth $45m it would have made a healthy contribution to the empty coffers of the central bank in Georgetown.

But only a tenth of the gold was declared to the state-run Guyana Gold Board. The rest was smuggled over the border into neighbouring Brazil, where domestic gold prices have been higher than those on the world market.

Statistics on diamonds, also found in the Rupununi, are harder to obtain than the stones themselves. But large quantities of Guyanese precious stones are changing hands in Boa Vista, Brazil, the boom town across the border.

Illegal transport of gold, diamonds and herds of cattle across the border is part of Guyana's unofficial lifeline: the "huckster trade" responsible for bringing into the country all the foodstuffs and essential spare parts which cannot be obtained through the conventional channels.

Smuggling is the growth area in the palsied Guyanese economy, and it is a trade to which the authorities must turn a blind eye, because of the acute shortage of everything from wheat flour to cement. Western Surinam has no bread, for example, because tons of flour cross the Courantyre River every day into Guayana. An estimated 40,000 Guyanese go the other way for temporary work in Surinam.

Even the Guyanese Government is taking advantage of Boat Vista's acceptance of Guyanese currency. Mr Hamilton Green, one of Guyana's Vice-Presidents, recently acknowledged that Government co-operatives were buying Brazilian manufactured goods there with Guyanese dollers. Most of the goods arrive by air into Lethem. But once the new road between Brazil and Georgetown is completed, the tide could become a flood.

WORLD TRADE NEWS

India to buy more from Soviet Union

By K. K. Sharma in New Delhi

INDIA IS to buy helicopters, trucks, cement and machinery worth $60m from the Soviet Union this year in addition to purchasing of crude oil and petroleum products already agreed to in a bid to reduce the imbalance in their bilateral trade.

But the Russians, with whom trade talks were held last week to resolve the problems arising out of cancellation of Soviet orders for a number of items, have not indicated that they will reciprocate and resume imports from India in accordance the trade agreements for 1983.

The Soviet Union has slashed imports from India of cashew-nut kernels, hosiery and other consumer goods on the grounds that the heavy deficit in bilateral trade has led to mounting "technical credits" by India. The credits are provided when the so-called barter or rupee trade between the two countries is not balanced in any year.

The imbalance against Russia started three years ago because of India's reduction of imports of capital goods and machinery, partly because of Indian self-sufficiency in these items and partly because obsolete Russian technology led to a preference for Western sources of supply.

Russia has now put pressure on India to increase imports from it so that the two-way turnover of $3.6bn planned for 1983 —making the Soviet Union India's largest single trading partner — materialises as planned.

The new list of goods, worth about $60m, is in addition to 250,000 tonnes of crude oil, plus a similar quantity that India agreed to buy from Russia last week. This is expected to reduce the deficit in 1983, but Russia will have to accept substantial "technical credits" from India amounting to over $600m for previous years.

The Indian Government is watching the situation and unless the Soviet Union renews the cancelled orders, the matter is expected to be taken up by Prime Minister Indira Gandhi.

GROWING U.S. PROTECTIONISM IRKS EUROPEANS

Doubts over 'two-way' defence trade

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

"WE'RE TRYING to bridge the Atlantic to step up our trade with the U.S. but that guy would pull up the drawbridge."

The comment, by a British company executive, was typical of the reaction of representatives of several dozen European defence manufacturers who on Monday night heard Mr Lawrence Brady, an assistant secretary of state in the U.S. Commerce Department, deliver a particularly hard-hitting after-dinner speech on the so-called two-way street between the U.S. and Europe in defence trade.

Mr Brady, speaking in Brussels to a symposium of some 250 defence manufacturers organised by Defence Marketing Services (DMS), alleged that existing agreements between U.S. and European companies to co-produce defence equipment were distorting trade and allowing a leakage of U.S. technology to Nato allies as well as to the Soviet bloc, thus undermining both U.S. competitiveness and its security.

His remarks fuelled the controversy over what European executives and officials see as an unequal transatlantic trading relationship in defence equipment.

The two-day symposium officially dealing with industrial collaboration within Nato, heard repeated many of Europe's complaints against the U.S. Among these were protectionist measures by Congress—one of which has led to cancellation of an aircraft ejector seat contract, won by the British company, Martin Baker—or the legislation which prevents imports into the U.S. of components including non-U.S. special metals, as well as restrictive acts by the administration on technology transfers.

Dr Richard Delaner: metals clause reversed.

But the symposium also revealed considerable divisions within the U.S. Administration, from which some European businessmen took heart. While Mr Brady was exceptionally hard line, Dr Richard Delaner, Pentagon under-secretary for Research and Engineering, said chances were good that the Pentagon would get the special metals clause reversed; much else was being done Dr Delaner said, to make the two-way street a reality.

Col Ron Carlberg, the Pentagon's director of International Acquisition, noted that each of the three armed services had produced a test programme for "incentivising multinational collaboration" with a list of some nine small projects, ranging from components of a combat identification system to a mine neutralisation system for priority allocation to foreign and U.S. partnerships.

The conference also heard from participants in successful U.S.-Europe co-operative projects: the British Aerospace partnership with McDonnell Douglas for the production of the AV8B version of the Harrier fighter; and Raytheon's teaming with Thompson CSF in advanced sonar development.

But the source of most encouragement to those at the conference was, paradoxically, a report which admits that there are substantial obstacles to two-way commerce, placed there by the U.S. Congress, the Administration, and the U.S. bureaucracy. The report has been drawn up by a team under Dr Malcolmn Currie, Pentagon Under Secretary in the Nixon Administration, after exhaustive discussions with U.S. and European industry.

The report is not yet published, but Dr Currie, now with Hughes Aircraft, told the symposium that it outlined 16 key problem areas, and included many detailed recommendations, all of which will be submitted to Mr Caspar Weinberger, the U.S. Defence Secretary, next week.

Few European or U.S. executives at the conference, representing companies from Aerospatiale and Alitalia to Vickers Shipbuilding and Varian of Switzerland, expected rapid change; many acknowledged that in the present climate, Europe could not hope to export major weapons systems, or even important sub-systems to the U.S.

China's oil search 'not affected by price slump'

By Mark Baker in Peking

CHINA HAS said that it does not believe the slump in international oil prices will affect the development of its potentially vast offshore resources.

A spokesman for the China National Offshore Oil Corporation (CNOOC), Chen Bingqian, repeated that the first joint exploration contracts were expected to be signed "in the next few months."

Chen said that both Chinese and foreign oil companies saw the recent 15 per cent drop in oil prices in the long-term context. It was impossible, in the long run, that oil consumption would decline, he said, and oil would remain a major source of energy, he said.

A total of 33 companies, including some of the world's largest oil corporations, are bidding for exploration licences.

"Oil exploration may begin in the second half of this year in the South China Sea and the southern Yellow Sea and the work will be in full swing by next year," Chen said.

He said that in addition to the "several" companies currently negotiating with CNOOC in Peking, more foreign companies which had made bids would be invited to China for detailed negotiations.

Bidding for the joint exploration leases was announced in February last year and by August 102 offers had been made by 33 foreign companies.

The area opened for leases covers 150,000 square kilometres. The bidders are from Australia, Brazil, Britain, Canada, France, Italy, Japan, Spain and the U.S.—which is represented by 16 bidding companies, the largest national group.

Short Brothers bids for $100m USAF order

By Michael Donne, Aerospace Correspondent

SHORT BROTHERS, the Belfast-based aircraft manufacturer, is bidding for a major U.S. Air Force contract for a fleet of small cargo aircraft for use in transporting equipment extensively throughout Europe.

The USAF wants initially up to 18 aircraft in what it calls its European Distribution System Aircraft (Edsa) programme, worth well over $100m. Eventually, however, many more aircraft might be needed.

The requirement is for a comparatively small cargo aircraft, capable of air-lifting aero-engines and other spare parts items throughout the many USAF air bases in Western Europe, and between those bases and leading civil airports.

The aircraft must have short take-off and landing (Stol) capabilities, with rapid loading and unloading and a range of up to 700 miles.

Short Brothers is offering a new all-cargo version of its highly successful civil twin-turbo-prop 30-passenger airliner, the SD-330, for this mission. Called the Sherpa, this new aircraft is in effect a 330 with a rear-loading ramp door.

Short Brothers has built a Sherpa with its own money in its efforts to win the USAF contract, but competition is fierce.

McDonnell Douglas of the U.S., for example, has linked with Casa of Spain to offer the Casa 212 freighter, and it is expected that others will also enter the fight, including the Israeli aircraft industry with the Arava.

Europe-Arab arbitration board to be established

BY ANTHONY McDERMOTT IN GENEVA

AN ARBITRATION board is to be set up in September in Paris to adjudicate on problems of trade between European and Arab countries. According to Mr Burhan Dajani, the secretary general of the Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, whose headquarters are in Beirut, this board is the product of two years of study and will operate with the EEC countries.

Mr Dajani was in Geneva to attend the annual meeting of the Arab-Swiss Chamber of Commerce and Industry.

The board will be established in Paris because joints chambers of commerce in the Arab world have found it has been almost impossible to obtain arbitration—either through contracts or agreements—in individual Arab countries.

Mr Dajani expects no problems from the fact that it will be working in parallel with the Paris-based International Chamber of Commerce which is also based in Paris, and which has an internationally recognised arbitration court.

Scotland's Royal Bank to open in Singapore

By Mark Meredith in Edinburgh

THE ROYAL BANK of Scotland, largest of the three Scottish clearing banks, announced yesterday it will set up a branch in Singapore.

The bank has received a licence for an Asia Currency Unit, which allows them to handle offshore banking but limits their activity in domestic banking in Singapore.

The bank established a branch in Hong Kong in 1978. In Singapore it has a 64 per cent stake in Associated Merchant Bank.

Indonesia coal mining project

Mobil Oil of the U.S. and Nissho Iwai of Japan have won a contract to mine coal in the Berau district of East Kalimantan in Indonesia, Agencies report from Jakarta.

The two companies will act as contractors of the state coal organisation, Tambang Batubara, in a joint venture to be known as Berau Coal.

Under an agreement signed this week with Tambang Batubara, Berau Coal will operate over an area of 487,217 hecares for a period of 30 years.

U.S., Pakistan plan fertiliser joint venture

By David Dodwell in Karachi

AGRICO Chemical Company of the U.S. yesterday unveiled plans for a $200m joint venture to manufacture phosphate fertilisers in Pakistan.

The agreement was the largest of over 20 initialled during an eight-day visit to Pakistan by the Overseas Private Investment Corporation (Opic) of the U.S.

The Pakistan Government, eager to furnish substantive proof of its keenness to encourage foreign investment, set up a special two-man committee to provide members of the mission with a "fast lane" for initial approval of project proposals. In the past, some potential foreign investors have stayed away because of bureaucratic obstacles to joint venture proposals.

The Opic mission comes less than a week after a conference in London, addressed by Mr Ghulam Ishak, Pakistan's finance minister, aimed at encouraging UK industrialists to invest in the country.

Many of the projects defined yesterday are no further than the "memorandum of understanding" stage.

Devon overdrive maker follows the Toyota four-wheel-drive trail across the world

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TOYOTA of Japan is now the world's major manufacturer of light four-wheel-drive vehicles. And nobody studies Toyota's sales figures more closely than Mr Roger Ashby.

He is managing director of Fairey Winches, whose engineering plant, uncharacteristcally for such an establishment, nestles among the beautiful hills surrounding Tavistock in Devon.

In 1981 Toyota overtook American Motors, whose Jeep started the business, in the production of light four-wheel-drive vehicles. That same year, a company which converts the Toyota all-wheel-drive Land Cruiser in Australia asked if Fairey Winches could make an overdrive unit for the vehicle.

Since March 1981, the overdrive has been designed, prototypes manufactured and road tested and the first production batch delivered. So successful has the unit proved to be—the claim is that fuel savings of 20 per cent were obtained in tests—that all Land Cruisers sold in Australia will now be fitted with them.

The Australian company, ARB Vehicle Accessories of Victoria, called on Fairey Winches because for the five previous years the British company had been supplying overdrive units for the Land Rover. Today about 20 per cent of all Land Rovers and Range Rovers leave the factory with the Fairey unit in place.

There is also a great deal of post-factory fitting and Mr Ashby reckons around 30 per cent of the Land Rovers and Range Rovers in Britain have one of his company's overdrives.

Before the Land Rover overdrive business built up, Fairey Winches was more or less an engineering jobbing shop, doing work for anyone who had a small specialised task. Now it has an annual turnover of about £2.5m of which half comes from exports, and employs 120 people.

Although a small company, it is part of the Fairey Holdings group and, as such, a distant cousin of the Financial Times—both organisations are part of the S. Pearson conglomerate.

Apart from the overdrive units for the Land Cruiser and Land Rover, which between them account for 80 per cent of turnover, Fairey Winches also, makes a free-wheeling front hub for the Land Rover (another fuel-saving device), and heavy-duty winches such as the 5,000lb drum winch used by UK electricity boards.

The comon thread to these operations is Fairey Winches' gear cutting expertise.

The Fairey unit adds overdrive to every gear, giving drivers the choice of 16 forward and four reverse gears in the Land Cruiser. This allows a driver much more flexibility when the vehicle is heavily loaded. Overdrive in top gear also reduces fuel consumption, lowers engine noise and decreases wear and tear on the engine and gear box.

Fairey Winches claims the ovedrive unit can be installed in two to three hours and that the cost (£278 for the Land Cruiser and around £200 for the Land Rover) can be covered in just 12,000 miles of motoring.

The benefit which makes the ovedrive unit so attractive to the Australians is that by reducing fuel consumption it increases the distance which can be covered on a tankful of fuel—an important considera- tion in a country so vast and sparsely populated.

Mr Ashby, 42, who became managing director in June 1981, is not content simply to wait for more business to turn up. Fluent in French and Italian, with a working knowledge of German and now studying Japanese, he spends a great deal of his time travelling to see where he can promote the further fitting of Fairey overdrives to Toyota Land Cruisers.

This is necessary because, unlike the arrangement with Land Rover, Toyota has yet to approve the overdrive as a factory-fitted item. So Mr Ashby must find distributors.

He has already lined up distribution in the U.S. and Venezuela. Mr Ashby has high expectations of the latter, which has similar road conditions to Australia in that drivers of Land Cruisers get involved in long journeys over a mixture of paved and unpaved roads with big gaps between fuel stations.

Determined to follow the Toyota trail, Mr Ashby will next tackle the Middle East. Most of the Land Cruiser exports from Japan go to six main markets — Saudi Arabia (18,000 last year), the United Arab Emirates (about 3,600), Colombia (3,500) as well as the U.S. (3,000), Venezuela (14,000) and Australia (14,000).

Mr Ashby still has quite some ground to cover.

Poland's terms of trade with Comecon to fall

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S TERMS of trade with Comecon in the years 1983 to 1985 are expected to deteriorate, according to figures presented by economic planners to parliament here yesterday.

Government planners are expecting prices of goods exported to Comecon to rise by an average of 4 per cent a year in this period, while prices of imported goods are expected to increase by 6 per cent a year.

At the same time, prices of raw materials, which make up the lion's share of Poland's Comecon imports — especially from the Soviet Union—will rise faster than the price of finished goods.

The plans assume that the price of Soviet oil is to go up by 13 per cent a year in this period while Poland is expecting the price of its coal sold to the Soviet Union to rise by an annual 2 per cent.

Mr Stanislaw Wylupek, the minister in charge of trade with the Soviet Union had said that the Russians had initially promised to maintain deliveries of raw materials at this year's levels. He also said that Poland would be negotiating for additional supplies.

Soviet oil imports this year, for example, have been fixed at around 13m tonnes while planners assume that the economy will be consuming 15.4m tonnes of oil in 1985.

As for trade with the West, export prices are expected to rise by an annual average of between 4 and 5 per cent while imports are to cost 4 per cent more each year.

The plan also spells out that in hard currency trade maximum resources are to be devoted to imports of raw materials and semi-finished products while imports of machinery are to be restricted to spare parts.

● THE government-owned Hindusthan Cables has signed an agreement with the cable products division of Standard Telephones and Cables (STC) of Britain for setting up a telephone cable factory capable of producing 65m conductor-metres a week.

The seven-year agreement will cover documentation, training, plant installation, technical assistance and the exchange of technical staff. Finance for the factory will be provided by the World Bank.

A decision on whether Britain's System "X" is to be used for a major electronics exchange factory in India, for which four companies are on the short list, is expected to be taken within two months.

Fitch deal on Key Markets imminent

By Ray Maughan

FITCH LOVELL, the food manufacturer and wholesaler, was poised last night to sign an agreement to sell its Key Market retailing chain to Safeway Food Stores, despite a last-minute intervention by Linfood Holdings.

Linfood bid about £75m for Fitch last autumn and subsequently allowed its offer to lapse in the face of an investigation by the Monopolies Commission.

Details of Fitch's detailed negotiations with Safeway began to emerge last weekend. On Tuesday this week a large institutional shareholder in both Fitch and Linfood attempted to bring the two sides together to discuss a possible deal on Key Markets' 106 stores.

Mr Geoffrey Hankins, the chief executive of Fitch, said yesterday that he recommended to the intermediary that such a proposal should be handled by the financial advisers for the two groups.

He maintained yesterday that Mr Alec Monk, the chairman of Linfood, had known of Fitch's determination to sell Key Markets "for several months."

However, just at the moment when lawyers for Fitch and Safeway were preparing to draft the final heads of agreement covering the £35m disposal, the chairman of Fitch, Mr Michael Webster, received a letter from Linfood. It asked formally "for a meeting with you and your colleagues at which we could discuss a number of possible alternatives to the rumoured sale of Key Markets to Safeway.

"Since one of these alternatives could be an offer by Linfood to purchase Key Markets," the letter continued, "we would expect to receive, at this meeting, full information regarding Key Markets – such as you probably supplied to Safeway during the course of the negotiations."

Upon receipt of such information, Linfood promised, it would decide within 48 hours whether or not to make a higher offer for the retail chain.

The call from Fitch, which would have given Linfood "the possibility of trumping the Safeway deal," as Mr Monk put it, never came.

The Fitch board eventually decided yesterday afternoon to continue with the Safeway negotiations.

Forgemasters surrenders N. Sea deal

BY PETER BRUCE

SHEFFIELD FORGEMASTERS, the only remaining British maker of big forgings and castings, has been forced to surrender a large part of a North Sea platform contract to Japanese competition because of its inability to meet delivery schedules following the failure of its products under test.

This is a considerable setback for the group, which was formed late last year by the merger of the large foundry and forgings interests of the British Steel Corporation and Johnson & Firth Brown.

In a circular to JFB shareholders last November, Mr J.M. Clay, the chairman, said Forgemasters would have "a comprehensive range of plant and processes" and would be able to offer "a high quality technical service to customers – particularly those engaged in energy, defence and other high technology industries."

Forgemasters confirmed yesterday that some of the work on a novel tension leg platform being built by Conoco, the U.S. oil company for use in the North Sea, had been surrendered. Conoco has passed the work on to Japan Steel.

Forgemasters was awarded a contract early last year to produce 130 9.5 metre long tubular tethers, which would be used to tie the platform to the sea bed 147 metres below. A contract for a further 86 tethers, which are made of high tensile steel and machined to screw into each other, was awarded to Japan Steel.

Forgemasters invested in a threading machine, bought abroad, to cut the ends of the forged and reamed tubes but ran into trouble when it was discovered under tolerance tests that the threads were failing.

According to Mr David Clarke, managing director, of Forgemasters, advice on how to cut the threads was then sought from a number of sources, including Japan Steel, with the result that new machinery is now being installed.

He said, however, that it had been agreed with Conoco that some of the work would be transferred. A Conoco spokesman said yesterday that Japan Steel had been asked to produce a further 84 tethers. Forgemasters had been left with a maximum of 97 tethers to complete. The UK company is also continuing with substantial orders for other smaller tension leg elements, he said.

Total awards $10m platform contract

BY RICHARD JOHNS

A $10M CONTRACT awarded yesterday by Total to Foster Wheeler Petroleum Development for the superstructure of a drilling platform is seen by the offshore fabrication industry as the first sign of a resurgence in orders.

The work involves the "topsides" – accommodation facilities and drilling equipment – of one of two platforms required for the North Alwyn field in the North Sea. The total cost of development, for which Department of Energy approval was given late last year, is estimated at £1.2bn.

Bids for the large steel jacket, which will weigh about 12,000 tons, are being appraised by Total. Design work on the "topsides" of the other platform which will incorporate the processing facilities is under way."

The North Alwyn platforms are among as many as 20 which could be ordered over the next two and a half years after the tax changes in the 1983-84 budget, which should stimulate North Sea development.

As significant pointer to intensified North Sea exploration was given yesterday by Dr Jack Birks, chairman of Charterhouse Petroleum.

He said that the company intended to double expenditure on drilling to £15m in 1983.

Presenting its report and accounts for 1982 Dr Birks said the company planned 14 wells.

Directors call for European reforms

By Alan Pike, Industrial Correspondent

THE Institute of Directors yesterday demanded a "fundamental reform and re-examination of European institutions and policy priorities."

The institute remains a supporter of the EEC – as Mr Walter Goldsmith, its director general, emphasised yesterday – but it has produced a campaign document which attacks the present positions of both the Government and Opposition.

The document contains a five-point reform plan "founded on the twin principles of free enterprise and free trade." Among its elements are:

- The need for the EEC to achieve complete internal free trade by attacking non-tariff barriers, dismantling most border controls, simplifying value-added tax procedures and other measures;
- Breaking up or at least injecting more competition into "the officially cartelised areas of industry and those areas where privately organised cartels are tolerated";
- The radical reform of the Common Agricultural Policy to eliminate institutionalised over-production and reduce subsidies.

Bid to settle Sasse case

By John Moore, City Correspondent

LAWYERS for Lloyd's, the insurance market, are attempting to settle out of court one of the market's largest ever legal actions, involving the underwriting affairs of Mr Frederick Sasse.

The action centres around the affairs of the stricken Sasse underwriting syndicate. Members of the syndicate, which faced insurance claims of £21m, were rescued by the Lloyd's community when they sued Lloyd's for alleged broken rules and breach of duties.

The action was due in court this week, but has been postponed for a week. Unless a settlement is found it will be heard next Tuesday.

The new three-part Unipart

BY JOHN GRIFFITHS

UNIPART GROUP, British Leyland's profitable parts and accessories division, is being restructured. One consequence, although not the declared object of the exercise, is to lend it more readily to privatisation.

The changes already approved by BL's board, will take place immediately.

They involve the formation of three new business groupings: Unipart International, Contract Services and SU Butec.

The biggest change will be the establishment of contract services. It will have a dual role – to service BL companies' needs and to develop and market its warehousing and distribution to other UK companies.

Services to BL, however, are to be on an arm's length contract basis. Unipart executive, under managing director Mr John Neill, are negotiating a contract with the Austin Rover volume cars division, but have already concluded a daft agreement for the supply of services to Jaguar, also profitable and operating virtually independently of the rest of BL.

They have also reached agreement in principle with Land Rover for a long-term arrangement covering warehousing and distribution, but with Land Rover progressively assuming responsibility for developing its other parts activities.

At the same time, Unipart is negotiating with companies outside BL to handle their parts distribution and warehousing on a contract basis, which has long been regarded by Mr Neill as a major potential growth area.

The new Unipart International group, responsible for handling Unipart's all-makes wholesale and retail aftermarket business, aims to expand this part of the operation and tackle new areas.

SU Butec, Unipart Group's parts manufacturing arm, is to continue in its present role, but action to separate those companies in the SU Butec group mainly dependent on BL business was taken last year. Five were transferred to the carmaking divisions.

Unipart is also establishing a Corporate Services Group to provide financial, legal and management services to the three main groups. This follows Unipart's establishment as a separate legal entity under the BL umbrella.

The moves do not indicate that a sell-off of Unipart is imminent. Sir Austin Bide, BL's non-executive chairman, said, however, that the first steps to privatise parts of BL may take place before the end of next year.

Air fare mission fails

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK Government has failed in its latest attempt to get the U.S. to drop its anti-trust investigation into alleged fares-fixing by British Airways and British Caledonian on the North Atlantic air route.

A mission including Department of Trade and Foreign Office officials, which went to Washington earlier this week to discuss the matter – for the second time in recent weeks – has achieved nothing.

A British Embassy spokesman in Washington said the meeting "failed to resolve disagreements" on the applicability of U.S. anti-trust laws to the Anglo-U.S. Bermuda Two civil air agreement.

The UK has argued that, even if there had been any price-fixing by the UK airlines (which is not, in fact, admitted) it would have been allowable under the Bermuda Two agreement which governs all civil aviation relations between the two countries.

The U.S. Government, however, has argued that anti-trust violations are a question of internal U.S. law, and are not covered by the Bermuda Two treaty. The two airlines are alleged to have fixed fares for sale in the U.S. to U.S. citizens for international travel.

Thatcher gives confident view of economy

By Peter Riddell

MRS MARGARET THATCHER, the Prime Minister, last night gave her most confident view so far of the economic outlook for Britain.

In a major speech, she said: "We can look forward to the future with some optimism."

Mrs Thatcher highlighted this week's Confederation of British Industry survey, showing improved business optimism, and yesterday's "excellent results" from ICI.

Vauxhall hopes on 'supermini'

VAUXHALL enters the fiercely contested "supermini" sector of the UK car market today with the launch of its Spanish-built Nova model.

The Nova, which was launched elsewhere in Europe last autumn as the Opel Corsa, is expected to emerge as the strongest competitor yet for Austin Rover's Metro and Ford's Fiesta.

It takes Vauxhall into the supermini market for the first time

Coal stocks to last six months

BRITAIN's coal stocks have grown by a further 1m tonnes to 53.2m tonnes – enough to meet the country's coal needs for the next six months.

The big increase in stock levels in the past few years has arisen largely because of the decline in coal and energy demand.

Casino gambling on the increase

CASINO gambling is increasing again. Spending exceeded £1bn for the first time in 1981-82, the Gaming Board said in its annual report.

It rose 8 per cent to £1.91bn in the 12 months ended August 1982 after a two-year standstill. Spending rose only 1 per cent in 1979-80 and showed no growth at all in 1980-81.

Tebbit to issue firm proposals on unions

By Philip Bassett, Labour Correspondent

THE GOVERNMENT is likely to issue firm proposals for the reform of trade unions' internal affairs,although it will still leave some scope for further consultation if the Prime Minister decides not to hold a general election in June.

Mr Norman Tebbit, Employment Secretary, and his advisers are considering what steps to take on the issue now that the consultation period has ended on his Green Paper, "Democracy in Trade Unions."

The election decision is crucial to their thinking. Depending on it, Mr Tebbit will either:

- issue a hard-edged consultative document, in preparation for a tight bill in a relatively foreshortened parliamentary session that will bring the issue before the House of Commons, if not necessarily into law; or
- put all the proposals into the manifesto in the belief that plans for futher trade union reform are an electoral asset.

Department of Employment thinking has now all but discarded the Green paper's suggestion of examining the financial links between the unions and the Labour Party.

Instead, the new document, or manifesto proposals, will concentrate on union members' right to choose fairly their union leaders – with proposals for the election of union executive members – and on pre-strike ballots.

Work on proposals for limiting industrial action in essential services is going much more slowly.

Michael Donne reports on the UK's new military aircraft project

Day of Agile Combat Aircraft dawns

THE UK aerospace industry is preparing to start what it hopes will eventually prove to be one of the largest new military aircraft programmes for the rest of this century – the Experimental Aircraft Project (EAP), leading on to the Agile Combat Aircraft (ACA).

The Ministry of Defence will put up about £70m as its share of the one-aeroplane EAP, with the aerospace industry, headed by British Aerospace, putting up an equal share to give an estimated total cost of about £140m.

At this stage, no one will say whether the follow-on ACA will be developed or not. The industry hopes and believes it will, but there are no guarantees from either the Ministry of Defence or the Royal Air Force, both of which prefer to wait and see how the EAP performs before making any commitments.

Any ACA would be a vastly more expensive venture, probably measured in billions of pounds for the development and production of the several hundred aircraft involved, requiring much more detailed examination at high political level.

It has taken a long time even to get to the point of signing a contract for the one-aircraft EAP.

Several years ago, it became clear to designers in the aerospace industry, and to the Air Staff, that a new fighter aircraft would be needed in Western Europe before the end of this decade, both to replace ageing Jaguar jet strike-trainers in the RAF and Phantoms in West Germany's Luftwaffe.

Such an aircraft would also be needed to complement the bigger, more advanced Tornado multi-role combat aircraft which by then will be in service in quantity (more than 800 aircraft in the RAF, Luftwaffe and Italian air force).

Such a fighter would be needed to provide air superiority over the battlefield, ground attack against the enemy's battlefield installations, and offensive support in other ways in attacking supply lines.

Such an aircraft, it was realised, would need to be very manoeuvrable, very fast (supersonic) and very light, but very strong. Such a demanding combination could only be achieved by the extensive use of new technology – in composite materials, in electronics in design and in the engines.

The initial studies produced a concept called the P-110. Although primarily a British study, some contributions also came from the West German and Italian aerospace industries, where comparable studies on new fighter concepts were also under way.

Gradually, the P-110 evolved, with British Aerospace, Messerschmitt Bölkow-Blohm and Aeritalia working together, into what late last summer was being called the Agile Combat Aircraft (ACA) by the aerospace industries of the three countries.

Efforts to try to get a unified European approach, under the title of European Combat Aircraft (ECA) failed, because of differences of view on what was needed among the Air Staffs of the three countries and different time scales of demand for a new fighter.

All along, the UK Ministry of Defence had been involved only on the sidelines, watching but not contributing cash. It was not until last year's Farnborough air show that the Government formally announced that it would help to finance an advanced-technology development programme, but with no guarantees that it would lead to the eventual development of a new fighter.

Tinsley Wire plans £5m modernisation

By Nick Garnett

TINSLEY WIRE, the Sheffield bulk steel wire company, is to invest £5m in a modernisation plan designed to make it one of Europe's most efficient producers.

The company said yesterday that the steel wire industry rationalisation scheme last year put the industry on a firmer footing.

Tinsley Wire is a subsidiary of the Twil group, whose shareholders are the Belgian company N.V. Bekaert, Bridon of Doncaster and the British Steel Corporation.

The company, which employs 1,100, has an annual turnover of just over £50m and has been producing slightly more than 100,000 tonnes of steel wire a year.

Pension funds boost overseas investment

BY ERIC SHORT

OCCUPATIONAL pension funds have greatly increased their investment in overseas equities. This has become the largest single source of investment of new money for these funds, according to the 1982 survey of pension fund performance by stockbrokers Wood Mackenzie.

This survey, the largest of its kind, covers nearly 700 funds – company, local authority, nationalised boards and other public sector schemes – with a market value of £47.5bn, over half of all UK pension fund assets.

Last year, the funds in the survey invested £1.21bn overseas – which represented 27 per cent of the cash flow for the year.

This compares with 24 per cent invested in UK equities, 23 per cent in fixed interest, 8 per cent in index-linked gilts and 13 per cent in property.

Wood Mackenzie points out that this shift towards overseas equities has been gaining momentum since the removal of exchange control regulations in 1979.

Even so, overseas equities at £6.6bn still account for only 13.9 per cent of total pension fund assets in the survey, compared with 43.8 per cent (£20.8m) for UK equities. Property, at £7.9bn, accounted for 16.6 per cent, fixed interest (£9.3bn) 19.6 per cent and index-linked gilts (£1.4bn) 2.9 per cent.

The decision to go overseas could be regarded as justified on investment grounds last year with a return over the year of 27.1 per cent. But UK equities did even better with a 30.5 per cent return, while fixed interest made a return of 52.4 per cent. Property lagged behind with 8.9 per cent.

Sperry wins £11m building society order

By Raymond Snoddy

SPERRY Computer Systems yesterday announced its largest computer order in the UK – a system worth £11m for the Abbey National Building Society.

The system, which will be handling over 800,000 transactions a day, is designed to meet Abbey National's computing needs into the 1990s. It will be installed at Abbey's new head office complex at Milton Keynes in the second half of 1984.

Mr William Read, vice-president and general manager, said yesterday that after two years when new orders in the UK were static at about £50m a year, Sperry's British business was picking up.

- Datastream, the financial computer services company and Inter-Company Comparisons, are to begin a joint service supplying information on private companies by computer.

Offer of TV soccer in pubs withdrawn

By Ray Maughan

TELEJECTOR, a subsidiary of London & Liverpool Trust, has withdrawn its £8m offer to the Football League to televise professional matches for an hour on Monday evenings in pubs and clubs which have leased its screen and video systems.

The original Telejector offer spanned two seasons and comfortably topped the £5.3m offer over the same period from BBC Sport and independent television.

Mr Michael Robinson, a London & Liverpool director, said the Telejector offer had been withdrawn largely because the Football League was clearly unable to involve all 92 member clubs.

Several leading clubs – Liverpool, Manchester United, Arsenal and Tottenham Hotspur – have already indicated they would refuse such a contract because the lack of the audience provided by networked exposure would affect rates charged for ground advertising.

London & Liverpool also explained that Telejector had failed to secure copyright to the matches it screened.

Sinclair warning as Timex sit-in continues

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

ABOUT 600 workers decided yesterday to continue their sit-in at one of Dundee's Timex factories, provoking a warning from the company's main sub-contracting customer.

Sinclair Research said its project, a small flat screen television at Timex, as well as its long-term commitment to Dundee, was jeopardised. The flat screen programme has already been halted.

Timex also has sub-contract work for Sinclair personal computers, the ZX81 and ZX Spectrum, which has not been affected.

The occupation was called on April 8 because of trade union refusal to accept compulsory redundancies. Timex announced in January that 1,900 jobs would be lost and mechanical watch production ended. More than 1,700 have already gone through voluntary redundancies.

A letter to the sit-in employees from Timex director Mr Barrie Lawson, warned that unless they signed a pledge to resume work and returned it to the company by Tuesday, they would be sacked.

The letter also warned that the dispute was jeopardising watch part manufacture and assembly – virtually all that is left of watch production in Dundee.

The workers have complained that Timex violated the pledge to develop watches at Dundee by shutting down wind-up watch production in Scotland while developing quartz watch production in France.

The January announcement left Timex dependent on sub-contract work.

Sinclair's warning followed talks between the occupation force and two Sinclair executives.

Sinclair, Mr Clive Sinclair's company, said that to protect itself it has reduced the proportion of computers produced in Dundee from 95 per cent to 70 per cent.

Mr Sinclair has warned before that he will leave Dundee if production was endangered by industrial disputes.

Representatives at the sit-in said that in their talks with Sinclair executives they heard for the first time that the flat screens to be produced at Dundee were likely to be sent elsewhere for insertion in the planned micro-televisions.

Judges order travel firm chairman to pay £500,000

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE INTASUN travel firm's chairman, Mr Harry Goodman, must pay nearly £500,000 to First National Finance Corporation (FNFC) under a guarantee he signed 13 years ago, London's Appeal Court ruled yesterday.

Mr Goodman's appeal against a High Court order last June that he pay FNFC £338,165 and interest of £129,000 was dismissed with costs. He was refused leave to appeal to the House of Lords.

Lord Justice O'Connor said the case was "a cautionary tale that should be learned by all who are minded to guarantee an overdraft without limit."

Lord Justice Stephenson said Mr Goodman had paid a heavy penalty for his lack of interest in the company, whose borrowings he had guaranteed in such wide terms.

In 1970 Mr Goodman guaranteed repayment of money advanced to Apartotel (London), a company developing holiday accommodation for visitors in London's West End, of which at that time he was a director and shareholder.

The money was originally lent by Cassel Arenz, then a wholly-owned subsidiary of FNFC. In 1972 the two companies merged, as a condition of FNFC being recognised by the Department of Trade as a bank under the 1963 Protection of Depositors Act.

After the merger the advances to Apartotel were made by FNFC, two which, in 1975, Cassel Arenz assigned the benefit of the guarantee. A few months after the merger Mr Goodman disagreed with fellow directors and ceased to have anything to do with Apartotel, which then owed £149,415.

He had taken no steps, however, to end his liability, said Lord Justice Stephenson. In September 1979 Mr Goodman had been shocked to receive FNFC's demand for £338,165.

He maintained his liability under the guarantee extended only to advances made by Cassel Arenz – or to those made up to the 1975 assignment – all, or most, of which had been repaid. The appeal judges unanimously rejected the argument, holding that the guarantee was not so limited.

Lord Justice O'Connor said Mr Goodman guaranteed "all monies and liabilities ... which are now or shall at any time be due" to Cassel Arenz. FNFC was Cassel Arenz's successor.

SHAREHOLDERS WEIGH UP FRASER DE-MERGER

Takeover bid could be made for Harrods, pension funds told

BY JOHN MOORE, CITY CORRESPONDENT

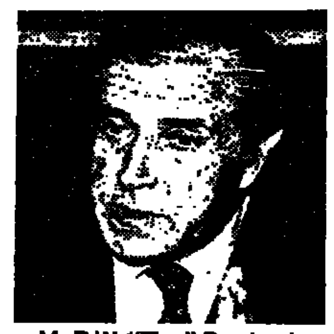
A TAKEOVER bid may be made for Harrods, London's leading department store, if it is separated from its parent company, House of Fraser, in a de-merger plan proposed by Fraser's largest shareholder, Mr Tiny Rowland's Lonrho.

That is the main conclusion of a report prepared by Coopers & Lybrand Associates for pension funds with shares in House of Fraser.

Through the National Association of Pension Funds the 40 or so funds which hold about 20 per cent of the shares in House of Fraser have sought independent advice to form a view on the arguments in the bitter battle between House of Fraser and Lonrho over Harrods' future.

The 29-page report from Coopers & Lybrand says: "We think that risks will arise from the demerger ... Those risks will ultimately pass through to the shareholders who will have to judge whether their incurrence is justified."

The report points out that Coopers & Lybrand was "quite specifically" instructed not to comment on the merits or demerits of the demerger. Instead, it endeavoured to analyse the arguments in "a manner which will assist each National Association of Pension Funds shareholder in arriving at his own decisions."



Mr R.W. "Tiny" Rowland

The report says: "A de-merged Harrods may become the subject of a takeover bid with consequences which cannot be foreseen."

It says that inevitably the House of Fraser board and Lord Duncan-Sandys, chairman of Lonrho, and Mr Tiny Rowland, Lonrho's chief executive, who have seats on the Fraser board, "are in total conflict." It contrasts the views of Lonrho that shareholders "risk nothing" with the Fraser board's warning of disadvantages and associated risks.

Professor Roland Smith, Fraser's chairman, said the report "appears to endorse our view and diminishes Lonrho's argument. There seems to be a strong case running throughout the report in support of the House of Fraser position."

Many of the institutions – the pension funds, the insurance companies, which have been sent a copy of the pension funds report, the investment and unit trusts and other funds, which in total hold about two thirds of the shares not owned by Lonrho – are voting today on whether Fraser should float off Harrods. Lonrho has a 29.99 per cent stake.

The public showdown between Fraser directors, who are resisting the Lonrho move to de-merge, will come next Friday at an extraordinary general meeting in Glasgow.

So far postal votes in the battle are said to be running at more than 90 per cent in favour of the Fraser board. If Fraser directors intend to resign if they do not gain the support of shareholders.

House of Fraser yesterday reported its full year results for the 12 months ending January showing pre-tax profits of £33.2m, compared with £28m.

Harrods contributed about £16.9m out of the total of £39m trading profits.

Scottish bank to open in Singapore

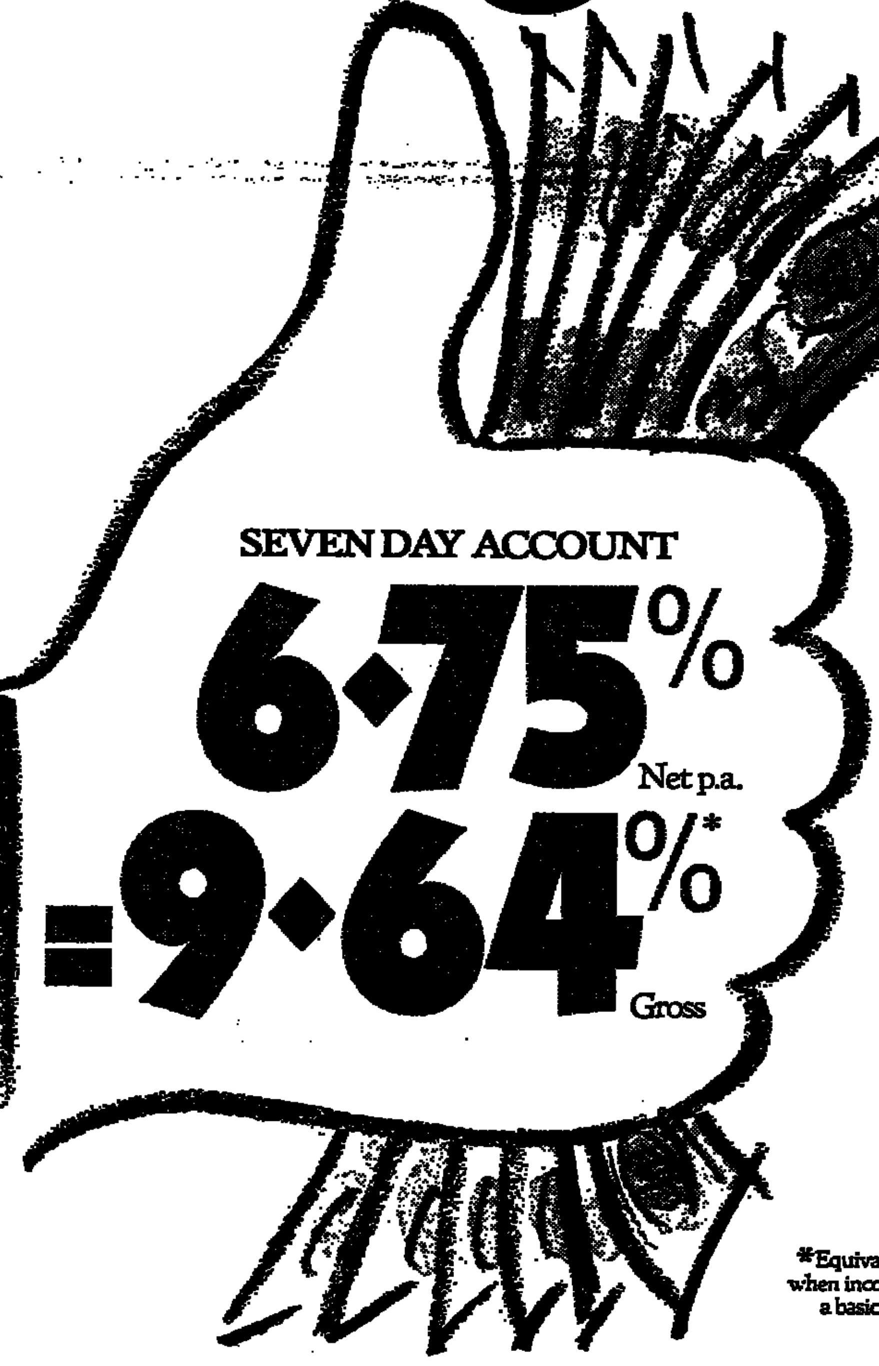
By Merk Meredith

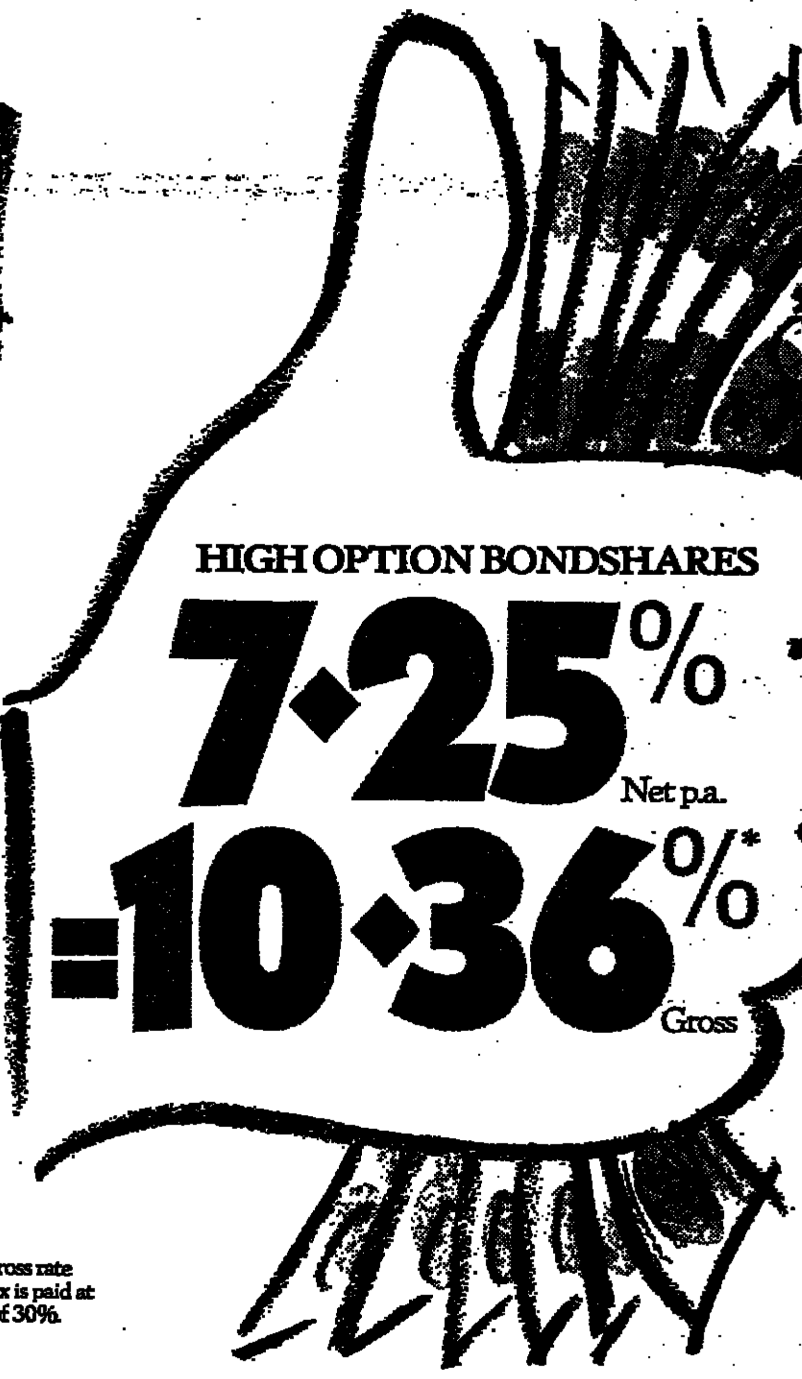
THE ROYAL Bank of Scotland, largest of the three Scottish clearing banks, is to set up a branch in Singapore. The bank has received a licence for an Asia Currency Unit, allowing it to handle offshore banking but limiting its activity in domestic banking in Singapore.

It established a branch in Hong Kong in 1978. In Singapore it is a 64 per cent share owner in Associated Merchant Bank.

Mr Alastair Dempster, assistant general manager in charge of international affairs at the Royal, said the new branch will deal with offshore finance such as international lending, foreign exchange and trade financing.

The new branch, with about 25 employees, will be roughly the same size as the Hong Kong branch. Mr Dempster said the expansion of Singapore as a centre for South-East Asia oil interests provided an added incentive to establish a branch and encourage trade with Scottish offshore oil technology. The Royal is represented in Indonesia through associated company P. T. Multinational Finance Corporation.





No union immunity for ship's blacking

MERKUR ISLAND SHIPPING CORPORATION v LAUGHTON, House of Lords (Lord Diplock, Lord Edmund-Davies, Lord Keith of Kinkel, Lord Brandon of Oakbrook and Lord Brightman): April 21 1983

WHERE a trade union deliberately, by unlawful means, interferes with the supply of services to a time charterer in order to damage the shipowner, its action is a tort actionable at common law at the suit of the shipowner; and if the employer whose supply of services is withdrawn has no contract with the shipowner, the union is unprotected by statutory immunity given to certain forms of secondary action.

The House of Lords so held when dismissing an appeal by the International Transport Workers' Federation (ITF) from the Court of Appeal's dismissal of its appeal from injunctions granted by Mr Justice Parker, ordering it to lift its blacking of the Hoegh Apapa, owned by Merkur Island Shipping Corporation of Monrovia.

Section 17 of the Employment Act 1980 provides: "(1) Nothing in section 13 [of the Trade Union and Labour Relations Act 1974] shall prevent an act from being actionable in tort ... where (a) the contract concerned is not a contract of employment, and (b) ... there has been secondary action which is not action satisfying the requirements of sub-section (3) below.

(2) ... there is secondary action ... when ... a person (a) induces another to break a contract of employment ... if the employer is not a party to the trade dispute.

(3) Secondary action satisfies the requirements of this subsection if (a) the purpose ... was directly to prevent ... the supply of services between an employer who is party to the dispute and the employer under the contract of employment to which the secondary action relates ...

(6) In subsection (3) (a) above ... (a) reference to the supply of ... services ... are by one [employer] to the other in pursuance of a contract subsisting between them ... and (b) references to directly preventing ... are references to preventing ... otherwise than by means of preventing ... the supply of ... services by or to any other person."

* * *

LORD DIPLOCK said that the Hoegh Apapa was a Liberian registered ship. The majority of the crew were Filipinos. The ship was let by her owners under a charter in the New York Produce Exchange form. The charterers in turn sub-let her under a six months' time charter.

On July 15 1982 the ship arrived in Liverpool for loading. The sub-charterers contracted with the tugowners for the provision of tugs to take the ship into and out of the loading docks.

ITF had previously learnt that the shipowners were paying less than the approved rate of wages. It persuaded the tugmen, in breach of their contract of employment with the tugowners, to refuse to move the ship.

The shipowners applied to Mr Justice Parker for an order requiring ITF to lift the blacking. He found that the shipowners had a cause of action against ITF and granted the injunctions sought.

ITF appealed. The Court of Appeal upheld Mr Justice Parker's decision.

Before the Employment Act 1980 came into force the question whether blacking was lawful involved a two-stage approach. Stage 1 was to determine whether what was done in the course of blacking would have given rise to a cause of action in tort if the Trade Union and Labour Relations Act 1974 had not been passed.

If so, Stage 2 was to determine whether that cause of action was removed by section 13 of the 1974 Act.

The 1980 Act added Stage 3, which was to determine whether the cause of action removed by the 1974 Act was restored by section 17 of the 1980 Act.

In the present case there were two separate questions of law. The first, on the Stage 1 point, was whether there was any such tort at common law as that relied on by the shipowners, namely the tort of interfering by unlawful means with the performance of a contract.

The contract whose performance was interfered with was the charter. The form the interference took was immobilisation of the ship to prevent it from performing its contractual obligations under the charter.

The elements of the tort of actionable interference with contractual rights by blacking were stated by Lord Justice Jenkins in *D. C. Thompson and Co Ltd v Deakin (1952) 1 CH 646.*

Those were, "first, that the person charged with actionable interference knew of the existence of the contract and intended to procure its breach; secondly, that the persons... did... induce or procure the employees... to break their contracts of employment with... intent..., thirdly, that the employees so persuaded did in fact break their contracts of employment; and fourthly, that breach of the contract forming the alleged subject of interference ensued as a necessary consequence of the breaches by the employees concerned of their contracts of employment."

Though he used the expression "breach," Lord Justice Jenkins did not intend to confine the tort to the procuring of such non-performance as would give rise to damages.

All the requirements of the four elements of the tort as stated by Lord Justice Jenkins were fulfilled in the present case. Accordingly, on the Stage 1 point the shipowners had made out a strong *prima facie* case that ITF committed the common law tort of actionable interference with contractual rights.

ITF's action clearly fell within the immunity conferred by section 13 on a person acting in furtherance of a trade dispute before that immunity was cut down by section 17 of the 1980 Act.

* * *

The second question of law, which was on the Stage 3 point, was one of construction of section 17.

Section 17 (1) laid down two conditions which must be satisfied for immunity to be withdrawn. The first was that the contract concerned must not be a contract of employment – a charterparty was not a contract of employment. The second was that there must be secondary action.

Section 17 (3) limited the withdrawal of immunity to secondary action by reference to its purpose and the likelihood of achieving that purpose.

Reading sub-section (6) into sub-section (3) it would run: "(3) Secondary action satisfies the requirements of this sub-section if – (a) the purpose ... was to ... disrupt ... the supply of ... services between parties to a contract where (i) the contract [for services] is a contract then subsisting between the employer who is a party to the trade dispute and the employer under the contract of employment to which the secondary action relates, and (ii) ... disruption of the supply of ... services between those parties is brought about by some means other than by ... disrupting ... services by or to any other person than a party to such contract."

The contract concerned was the charter. The employers who were parties to the trade dispute were the shipowners. the charter was a contract for the supply of services, to which the shipowners and the charters alone were parties. The shipowners were not parties to any subsisting contract with the tugyowners. The tugowners were the employers under the contract of employment to which the secondary action related.

The requirements of 17 (3) (a) were not satisfied. Neither the charterers not the sub-charterers were parties to the trade dispute.

Accordingly, there was secondary action within the meaning of section 17 (2) which did not satisfy the requirements of 17 (3). The result was that immunity from liability in tort granted by section 13 of the 1974 Act was withdrawn by section 17 (1) of the 1980 Act.

On the true construction of section 17 the Stage 3 point was decided in favour of the shipowners.

The appeal should be dismissed. Lord Edmund-Davies, Lord Keith, Lord Brandon and Lord Brightman agreed.

For ITF: Cyril Newman, QC, and Nicholas Merriman (Clifford-Turner).

For the shipowners: Roger Buckley, QC, and Timothy Charlton (Holman, Fenwick and Willan).

By Rachel Davies
Barrister

BOND DRAWINGS

REPUBLIC OF PORTUGAL 5¾% DOLLAR BONDS 1979/84

Notice is hereby given that, in accordance with the terms of the General Bond, 1,333 Bonds of $1,000.00 nominal have been drawn for repayment at par on the 1 June 1983 in full settlement of the instalment of the Sinking fund due 1 June 1983.

From that date interest on the bonds drawn will cease to accrue and the definitive numbers of the bonds concerned are as follows:-

Bonds of $1,000

00002	01733	03662	05362	07473	09269	11512	14560	15670	16807	18881
00003	01738	03675	05367	07479	09277	11528	14566	15676	16813	18888
00011	01745	03681	05371	07496	09291	11556	14578	15686	16820	18894
00013	01751	03728	05378	07506	09307	11563	14583	15692	16825	18901
00018	01754	03734	05383	07521	09335	11567	14590	15698	16831	18912
00022	01764	03753	05390	07531	09354	11580	14597	15704	16836	18927
00028	01769	03769	05414	07549	09360	11588	14600	15711	16842	18937
00033	01790	03773	05417	07558	09365	11593	14606	15721	16848	18942
00039	01804	03804	05435	07564	09373	11600	14617	15728	16854	18950
00043	01825	03810	05476	07573	09400	11604	14622	15733	16858	18957
00049	01830	03819	05484	07615	09406	11626	14635	15738	16863	18963
00055	01836	03823	05528	07624	09425	11630	14642	15744	16867	18970
00059	01843	03829	05544	07631	09429	11637	14654	15750	16873	18982
00067	01847	03836	05555	07651	09435	11649	14664	15753	16879	18989
00073	01866	03840	05616	07681	09441	11676	14671	15757	16885	18995
00087	01919	03867	05632	07698	09452	11683	14679	15761	16889	19002
00092	01970	03880	05641	07714	09459	11731	14688	15769	16896	19009
00110	01974	03885	05648	07731	09464	11747	14697	15775	16900	19015
00126	02002	03893	05664	07745	09473	11771	14702	15780	16910	19039
00133	02008	03909	05709	07754	09485	11777	14709	15787	16914	19044
00140	02011	03917	05734	07763	09490	11784	14715	15792	16920	19051
00145	02020	03923	05749	07815	09497	11789	14727	15806	16925	19059
00159	02059	03927	05755	07829	09508	11797	14736	15813	16930	19066
00181	02073	03930	05796	07832	09513	11806	14742	15816	16934	19078
00189	02081	03937	05842	07846	09519	11809	14760	15831	16942	19085
00198	02084	03943	05873	07852	09534	11818	14779	15837	16945	19092
00205	02093	03953	05887	07864	09553	11869	14787	15843	16951	19104
00237	02100	03969	05927	07884	09560	11971	14793	15848	16977	19131
00244	02107	03975	05934	07889	09617	11948	14799	15852	16981	19152
00256	02195	04042	05940	07919	09703	12012	14806	15859	16988	19158
00276	02210	04050	05950	07926	09784	12017	14811	15864	16995	19172
00301	02223	04073	05953	07943	09797	12029	14823	15869	17000	19179
00310	02254	04092	05964	07953	09802	12038	14838	15876	17556	19185
00316	02264	04096	06162	07960	09819	12046	14847	15882	17782	19193
00346	02271	04103	06168	07966	09841	12052	14856	15885	17787	19203
00368	02296	04106	06174	07976	09848	12061	14875	15893	17796	19209
00374	02303	04111	06182	07981	09856	12071	14887	15899	17803	19214
00383	02312	04123	06213	07987	09869	12076	14895	15907	17810	19227
00397	02381	04130	06220	07992	09872	12083	14901	15915	17815	19233
00411	02386	04159	06229	08003	09890	12095	14909	15923	17888	19238
00416	02391	04172	06235	08019	09960	12105	14913	15929	17929	19242
00426	02397	04177	06246	08017	09965	12113	14922	15969	17935	19256
00445	02404	04203	06249	08028	09973	12118	14930	15976	18053	19264
00454	02410	04211	06257	08034	09980	12133	14937	15981	18058	19279
00462	02417	04219	06267	08047	09988	12140	14943	15987	18063	19285
00475	02432	04243	06280	08054	10001	12155	14950	15994	18076	19292
00483	02451	04251	06290	08063	10006	12172	14961	15999	18086	19298
00504	02499	04259	06298	08076	10012	12179	14967	16006	18092	19300
00512	02527	04262	06307	08086	10018	12192	14976	16012	18099	19305
00525	02534	04271	06320	08096	10023	12197	14983	16021	18104	19314
00553	02541	04278	06335	08107	10030	12201	14990	16029	18112	19322
00569	02546	04366	06352	08115	10035	12207	14996	16037	18117	19329
00586	02551	04377	06360	08127	10040	12215	15134	16054	18124	19331
00593	02561	04388	06375	08131	10049	12229	15138	16059	18130	19339
00601	02572	04392	06401	08143	10099	12242	15139	16066	18147	19343
00609	02582	04397	06407	08158	10106	12252	15147	16071	18153	19349
00615	02586	04406	06420	08166	10131	12282	15151	16079	18162	19354
00631	02592	04413	06438	08178	10170	12294	15158	16087	18176	19359
00638	02612	04435	06455	08184	10179	12304	15165	16090	18183	19363
00646	02625	04459	06460	08189	10211	12322	15170	16098	18189	19368
00653	02629	04464	06467	08197	10229	12329	15177	16104	18197	19375
00658	02639	04468	06474	08206	10247	12336	15180	16109	18207	19382
00668	02650	04474	06488	08218	10253	12346	15186	16115	18217	19386
00678	02658	04478	06515	08234	10264	12352	15193	16124	18231	19405
00687	02665	04483	06526	08245	10296	12368	15212	16128	18236	19411
00697	02674	04486	06531	08255	10311	12375	15220	16133	18288	19422
00705	02686	04490	06556	08259	10406	12380	15230	16144	18293	19429
00710	02697	04496	06614	08275	10415	12393	15244	16151	18303	19435
00723	02707	04502	06633	08282	10421	12403	15250	16158	18315	19438
00749	02733	04506	06649	08299	10428	12417	15259	16162	18320	19446
00755	02814	04511	06658	08310	10439	12424	15265	16168	18332	19453
00772	02823	04516	06667	08344	10454	12433	15278	16173	18375	19460
00779	02829	04520	06672	08351	10459	12452	15286	16177	18380	19461
00784	02836	04577	06700	08357	10479	12460	15295	16185	18392	19467
00791	02845	04581	06724	08374	10488	12468	15302	16193	18401	19473
00800	02852	04600	06734	08396	10493	12498	15309	16200	18425	19481
00806	02861	04613	06742	08400	10500	12523	15316	16203	18436	19490
00817	02895	04617	06750	08486	10510	12532	15327	16210	18445	19497
00829	02937	04622	06774	08502	10524	12540	15335	16214	18452	19508
00836	02957	04634	06785	08514	10532	12547	15341	16220	18468	19516
00866	02962	04642	06800	08521	10559	12558	15348	16228	18472	19526
00872	02972	04656	06823	08534	10565	12565	15358	16237	18480	19532
00890	02979	04669	06848	08566	10572	12573	15368	16243	18488	19541
00898	02985	04672	06851	08584	10586	12577	15374	16248	18495	19545
01128	02986	04674	06856	08587	10613	12599	15382	16254	18500	19551
01140	02995	04679	06869	08633	10628	12611	15386	16260	18510	19556
01177	03012	04798	06880	08640	10659	12617	15392	16267	18516	19565
01187	03022	04861	06888	08652	10675	12623	15398	16274	18530	19577
01212	03027	04872	06904	08666	10701	12627	15405	16281	18537	19583
01225	03046	04877	06922	08678	10704	12634	15410	16287	18551	19592
01235	03061	04910	06934	08684	10711	12639	15417	16294	18565	19614
01251	03075	04915	06959	08698	10765	12650	15423	16302	18643	19619
01274	03111	05131	06977	08703	10772	12672	15435	16306	18648	19625
01284	03120	05135	06985	08717	10789	12678	15443	16311	18657	19632
01315	03128	05171	06991	08732	10822	12682	15448	16359	18669	19640
01319	03135	05179	07050	08739	10838	12715	15459	16368	18677	19649
01335	03150	05184	07070	08751	10862	12722	15467	16373	18693	19661
01343	03169	05192	07080	08819	10876	12757	15473	16378	18707	19666
01365	03203	05213	07116	08900	10890	12762	15486	16390	18716	19673
01382	03217	05221	07136	08925	10905	12772	15506	16398	18735	19682
01393	03231	05225	07147	08939	10970	12774	15514	16437	18751	19688
01400	03239	05234	07160	08954	10990	14365	15525	16443	18759	19698
01409	03253	05239	07177	08974	11039	14374	15530	16453	18764	19704
01419	03263	05243	07213	08979	11055	14382	15537	16563	18770	19708
01438	03293	05251	07253	09007	11149	14386	15543	16570	18778	19766
01447	03314	05257	07281	09017	11166	14393	15550	16577	18783	19779
01470	03324	05277	07288	09025	11206	14397	15558	16670	18791	19785
01515	03329	05282	07296	09033	11214	14401	15565	16675	18797	19806
01521	03346	05287	07306	09038	11252	14411	15572	16680	18804	19820
01543	03351	05291	07315	09045	11262	14416	15579	16685	18810	19826
01554	03392	05296	07330	09052	11283	14424	15586	16691	18814	19830
01562	03403	05301	07343	09058	11294	14431	15592	16709	18818	19844
01571	03439	05306	07351	09071	11307	14436	15598	16729	18823	19854
01585	03444	05316	07372	09085	11320	14440	15611	16751	18827	19868
01590	03459	05325	07386	09090	11344	14450	15623	16755	18838	19883
01597	03487	05331	07399	09102	11349	14457	15633	16763	18841	19908
01601	03496	05337	07418	09157	11370	14461	15638	16769	18848	19921
01609	03544	05340	07423	09188	11383	14474	15645	16780	18852	19946
01616	03562	05345	07433	09202	11436	14478	15651	16784	18860	19959
01694	03567	05350	07457	09214	11447	14488	15658	16797	18865	19966
01704	03599	05356	07463	09220	11456	14492	15663	16803	18872	19976
01720	03654									

Bonds drawn in the presence of Mr. R. G. Romer, Notary Public and Mr. R. M. Shaw, Director of Baring Brothers & Co. Limited, 8 Bishopsgate, London EC2N 4AE.

1983

CONTRACTS & TENDERS

REPUBLIC OF MALI

ENERGIE DU MALI

PREQUALIFICATION NOTICE
MOPTI-SEVARE DIESEL-ENGINE POWER PLANT

Energie du Mali (EDM) has decided to sollicit international bids for the turnkey execution of a diesel-engine power plant at Mopti-Sevare.

This project will be financed by: OPEC - Vienna with the participation of the World Bank (I.B.R.D.)

Engineering and design will be executed by: ELECTRICITE DE FRANCE - DIRECTION DES AFFAIRES INTERNATIONALES (EDF INTERNATIONAL)

The power plant will be located at the entrance to the town of Sevare at a distance of approximately 600 kilometers to the northeast of Bamako. The facility will include a power plant with three 0.75 MW diesel-powered generator units plus auxiliary equipment.

PROCEDURE:

Interested construction firms and contractors shall furnish the normal references required for preselection no later than May 30 th, 1983. This information must include the names of similar projects executed, the financial structure of the firm submitting the bid, addresses of representative offices and the range of production supported by statistical data.

One copy of the above preselection documents to be sent to each of the following:

ENERGIE DU MALI
B.P. 69
BAMAKO - REPUBLIC OF MALI

EDF INTERNATIONAL
68, rue du Faubourg Saint-Honoré
F. 75008 PARIS France

Qualifying firms will be informed no later than July 31 st, 1983, and tender documents will be made available the same day in the offices of EDF INTERNATIONAL at a price of $U.S.100 payable by check.

COMPANY NOTICES

Blue Ridge Petroleum Corporation N.V.

To all holders of 4 per cent. Guaranteed Convertible Notes Due 15th July, 1986:

Notice is hereby given that a meeting of holders of the above-captioned Notes will be held at 11.00 a.m. on Friday, 20th May, 1983 at the offices of European Banking Company Limited, 150 Leadenhall Street, London EC3, England, for the purpose of informing the Noteholders of recent events and of considering the following Extraordinary Resolutions:

(1) That the Coralta Resources (1981) Oil and Gas programme be dissolved by common agreement of the partners.

(2) That the Boards of Blue Ridge Petroleum Corporation N.V. and Blue Ridge Hydrocarbons Corporation N.V. be authorised to take such additional steps as they deem necessary to enhance the value of the convertibility feature of the Notes.

Notes may be deposited with any Paying Agent for the purpose of obtaining voting certificates or proxies. The Paying Agents are as follows:

Amsterdam-Rotterdam Bank N.V.,
Herengracht 595
1017 Ce Amsterdam, Netherlands

Bayerische Vereinsbank Aktiengesellschaft
Kardinal-Faulhaber-Strasse 1, 8000 Munich, West Germany

European Banking Company Limited
150 Leadenhall Street, London EC3V 4PP, England

Société Générale de Banque, S.A.
Montagne du Parc 3, B-1000 Brussels, Belgium

Banque Générale du Luxembourg S.A.,
14 Rue Aldringen, Luxembourg

Compagnie de Banque et D'Investissements, CBI,
14 Cours des Bastions, 1211 Geneva, Switzerland

Morgan Guaranty Trust Company of New York,
14 Place Vendôme, Paris, France

By Order of
European American Bank & Trust Company, New York
Fiscal Agent.

29th April, 1983.

GAZ DE FRANCE

U.S.$175,000,000
12¼% Guaranteed Bonds due 1993

Unconditionally guaranteed by
THE REPUBLIC OF FRANCE

Payable in instalments of 19½% on November 3, 1982 and 80% on May 3, 1983

"Entitled account holders" are hereby reminded that in accordance with the description of the Bonds the final instalment of the issue price (i.e. U.S.$4,000 in respect of each Bond) is due and payable on May 3, 1983.

Dated: April 25, 1983

KLEINWORT BENSON (JAPAN) FUND
Société Anonyme
Luxembourg, 37, rue Notre-Dame
R.C. Luxembourg B 8.528

Dividend Notice

A dividend of US$0.40 (40 cents US) has been declared payable as from May 3rd, 1983 against remittance of coupon No 12. The record date has been fixed at April 13th, 1983 and shares will quote ex-dividend as from April 18th, 1983.

Paying Agents:

Kredietbank S.A. Luxembourgeoise
43, Boulevard Royal, Luxembourg

Kleinwort Benson Limited
20 Fenchurch Street, London EC3P 3DB

By order of the Board
The Secretary

F. & C. ORIENTAL FUND S.A.
société anonyme
Registered Office:
LUXEMBOURG, 14, rue Aldringen
Registre de Commerce:
LUXEMBOURG Section B 16855

DIVIDEND ANNOUNCEMENT

F. & C. ORIENTAL FUND S.A. will pay a 20 cents US stock dividend per share on or after May 26th, 1983 to shareholders on record on April 21st, 1983.

The shareholders other than those having opted for cash dividend will receive their proportionate entitlement of new shares in the Fund at the prevailing net asset value of May 25th, 1983, against presentation of coupon No. 3. Any fractions will be settled in cash.

Shareholders on record as at April 21st, 1983 opting to receive a cash dividend of 20 cents US per share instead of the stock dividend must so inform the Company or the paying agent by May 25th, 1983 and present their coupons No. 3.

At the close of business on May 25th, 1983, all shareholders who have not made their intention known to receive a cash dividend will be deemed to participate in the stock dividend.

Shares will be traded ex-dividend after April 21st, 1983.

The stock or cash dividend is payable to holders of bearer shares against presentation of coupon No. 3 at:

BANQUE GENERALE DU LUXEMBOURG
27 avenue Monterey
LUXEMBOURG

The Board of Directors.

F. & C. ATLANTIC FUND S.A.
société anonyme
Registered Office:
LUXEMBOURG, 14, rue Aldringen
Registre de Commerce:
LUXEMBOURG Section B 8198

DIVIDEND ANNOUNCEMENT

F. & C. ATLANTIC FUND S.A. will pay a 15 cents US stock dividend per share on or after May 26th, 1983 to shareholders on record on April 21st, 1983.

The shareholders other than those having opted for cash dividend will receive their proportionate entitlement of new shares in the Fund at the prevailing net asset value of May 25th, 1983, against presentation of coupon No. 8. Any fractions will be settled in cash.

Shareholders on record as at April 21st, 1983 opting to receive a cash dividend of 15 cents US per share instead of the stock dividend must so inform the Company or the paying agent by May 25th, 1983 and present their coupons No. 8.

At the close of business on May 25th, 1983, all shareholders who have not made their intention known to receive a cash dividend will be deemed to participate in the stock dividend.

Shares will be traded ex-dividend after April 21st, 1983.

The stock or cash dividend is payable to holders of bearer shares against presentation of coupon No. 8 at:

BANQUE GENERALE DU LUXEMBOURG
27 avenue Monterey
LUXEMBOURG

The Board of Directors.

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby give notice that Tenders will be received at the Chief Registrar's Office, (Bank Buildings), Bank of England, London EC2R 8EU, on Monday, 9th May, 1983 at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1987, to the amount of £35,000,000.
2. The Bills will be in amounts of £5,000, £10,000, £25,000, £50,000, £100,000 or £250,000. They will be dated Thursday, 12th May, 1983, and will be due 91 days after date, without days of grace.
3. Each Tender must be for an amount not less than £25,000, and must specify the net amount per cent. (being a multiple of one halfpenny) which will be given for the amount applied for.
4. Tenders must be made through a London Banker, Discount House or Broker.
5. The Bills will be issued and paid at the Bank of England.
6. Notification will be sent by post on the same day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and payment in full of the amounts due in respect of such accepted Tenders must be made to the Bank of England, by means of cash or by draft or cheque drawn on the Bank of England, not later than 1.30 p.m. on Thursday, 12th May, 1983.
7. Tenders must be made on the printed forms which may be obtained either from the Bank of England, or from the Council's Offices at The County Hall.
8. The Greater London Council reserve the right of rejecting any Tenders.

M. F. STONEFROST,
Comptroller of Finance.

The County Hall
London SE1 7PB
28th April, 1983

NOTICE TO HOLDERS OF BEARER SHARES OF ENERGY RECOVERY INVESTMENT CORPORATION S.A.
R.C. LUX. NO. B19717

RIGHTS ISSUE OF 252,400 ORDINARY SHARES OF U.S.$5 EACH AT U.S.$10 PER SHARE

Holders of bearer shares of the above Company may obtain copies of the Chairman's Circular and a renounceable provisional allotment letter in respect of their entitlement to new shares pursuant to the rights issue by surrendering Coupon 1 at the registered office of the Company: 20 Boulevard Emmanuel Servais, P.O. Box 474, L-2014, Luxembourg. Payment must be presented with the relevant provisional allotment letter(s) by not later than 3 p.m. on 16th May, 1983, at the above address. A legal notice relating to the rights issue is being registered with the Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg.

NOTICE
ANNUAL REPORT OF
CO-OPERATIVE BANK PLC

NOTICE IS HEREBY GIVEN that copies of the Annual Report of Co-operative Bank PLC as at 8th January, 1983 are now available at:
CO-OPERATIVE BANK PLC.
1 Balloon Street, Manchester M60 4EP

BANQUE NATIONALE DE PARIS

Floating Rate Note Issue of U.S.$250 million
January 1980/88

The rate of interest applicable for the three month period beginning April 29th 1983 and set by the reference agent is 9$\frac{3}{16}$% annually.

THE RIO TINTO-ZINC CORPORATION PLC

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the twenty-first annual general meeting of The Rio Tinto-Zinc Corporation PLC will be held at the Westminster Suite, The Europa Hotel, Duke Street, London W1 on Thursday, 26 May 1983 at 2.30 pm for the following purposes:

Special Business

1. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution, namely that:
the authorised share capital of the Company be increased from £100 million to £110 million by the creation of 40 million unclassified shares of 25p each.

2. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution, namely that:

(A) the directors be and are hereby generally authorised in accordance with Section 14 of the Companies Act 1980 to exercise all the powers of the Company to allot relevant securities within the terms of the restrictions and provisions following, namely:
(i) this authority shall (unless previously revoked or renewed) expire at the conclusion of the next annual general meeting of the Company following the passing of this resolution.
(ii) this authority shall be limited to the allotment of relevant securities up to the aggregate nominal amount of £19.75 million but equity securities allotted wholly for cash may only be allotted:
(a) in connection with an offer of such securities by way of rights to the holders of ordinary shares and accumulating ordinary shares on the register on a record date fixed by the directors in proportion (as nearly as may be) to such holders' then holdings of such shares but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements otherwise arising or legal or practical problems under the laws of, or the requirements of any recognised regulatory body in any territory or
(b) (otherwise than under sub-paragraph (a) above) up to the aggregate nominal amount of £5.5 million.

(B) the directors be and are hereby empowered to allot, pursuant to the said authority, equity securities as if Section 17(1) of the said Act did not apply to any such allotment provided that this power shall be limited to allotments of equity securities expressly authorised by or in accordance with the said authority.

(C) For the purpose of this resolution:
(i) the said authority and the said power shall allow and enable the Company to make an offer or agreement before the expiry of that authority and power which would or might require relevant securities or (as the case may be) equity securities to be allotted after such expiry; and
(ii) words and expressions defined in or for the purposes of Part II of the Companies Act 1980 shall bear the same meaning herein.

3. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution, namely that:
(a) the Savings-Related Share Option Scheme 1983 of the Company summarised in the report of the directors dated 14 April 1983 which accompanied the notice convening this Meeting, and to be constituted by Rules produced in draft to this Meeting and for the purpose of identification initialled by the Chairman hereof, be hereby approved and that the directors be hereby authorised to adopt the same and agree to such amendments thereto as may be necessary or desirable to obtain the approval of the Board of Inland Revenue pursuant to the provisions of the Finance Act 1980 and to do all acts and things necessary to carry the same into effect.
(b) the directors be and they are hereby authorised to vote or be counted in the quorum as directors on any matters connected with the said Savings-Related Share Option Scheme 1983 notwithstanding that they may be interested in the same save only as regards matters related to the exercise of a discretion specifically affecting a director's individual rights of participation and the prohibition on interested directors voting contained in the articles of association of the Company be and the same is hereby relaxed to that extent accordingly.

Ordinary Business

4. To re-elect directors.
5. To re-appoint the auditors.
6. To consider the Company's accounts and the reports of the directors and auditors for the year ended 31 December 1982 and to declare a dividend on the ordinary shares.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy, together with any power of attorney under which it is signed, should reach the transfer office of the Company not later than 48 hours before the time appointed for holding the meeting.

[illegible]

... close of the meeting. If the form of proxy is to be used, it must be completed and returned to the transfer office so as to be received at least 48 hours before the meeting.

4. Copies of contracts of service of directors of the Company with the Company or any of its subsidiaries will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the annual general meeting and at The Europa Hotel for at least fifteen minutes prior to and during the meeting.

5. Shareholders are reminded that cameras are not allowed in the meeting hall.

ANNOUNCEMENT

PHILLIPS & DREW announce that Mr. K. E. Percy, presently partner in charge of Research, is joining the firm's Fund Management Department on 1st June 1983. Mr. K. W. B. Inglis, Investment Manager of the Scottish Provident Institution, is appointed Head of Equity Research, and Mr. A. J. Dye, Investment Manager of the Colonial Mutual Life Assurance Society, is joining the firm's Fund Management Department.

INVESTMENTS FOR SALE

PORTUGAL, VILAMOURA. Invest in the finest sporting tourist development in Europe. Apts. from £25,000. Villas from £30,000. R.M.S., 137 Whitecross St., London, EC1. 01-250 0258.

EXHIBITIONS

GOLDSMITHS' CRAFT FAIR
Designer jewellery and silver for sale
Admission Free. 10.30-5.00 Wed. 27th to Sat. 30th April
until 8.00 Wed. 27th
GOLDSMITHS' HALL
Foster Lane, London, EC2

INTERIOR DESIGN INTERNATIONAL '83 (The International Contract Furnishing & Interior Design Exhibition), Grand & National Halls Olympia. 15-19 May 1983. Tel: 01-543 1232 (24 hr. service) for complimentary professional/trade tickets.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. LESLIE WORTH—Recent Watercolours. Until 6 May. Mon.-Fri. 9.30-5.30.

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. A CENTURY OF PRINT PUBLISHING, 1817-1917. A selection of prints published by Agnew. Until 29 April. Mon.-Fri. 9.30-5.30.

BRITISH PAINTING EXHIBITION. 350 Oils/Watercolours from £50, at the Mall Galleries, The Mall, SW1. Daily 10-5, incl. Bank Hol. Until 4 May. Adm. £1.

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. PHILIP SUTTON Paintings & Sculpture.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

PUBLIC NOTICES

WARWICKSHIRE C.C.
£5m Bills placed 27th April due 27th July, 1983, at 9$\frac{21}{32}$%. £12m Bills outstanding.

WILTSHIRE COUNTY COUNCIL BILLS
£3,000,000 Bills issued 29th April, 1983, due 29th July, 1983, at 9¼%. Applications totalled £12 million. There are no other Bills outstanding.

TRAVEL

TOKYO, Osaka, Seoul, Taipei & Far East. Wide choice of discount flights. Brochure, Japan Services Travel. 01-437 5703.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

APPOINTMENTS

Wilkinson Sword new president

Allegheny International of Pittsburgh has elected Sir Anthony Royle to its board of directors and appointed him president of WILKINSON SWORD GROUP, a wholly-owned subsidiary. Since 1967, he has served as a director of Wilkinson Sword Group, and its predecessor company; he is also a director of Brooke Bond Group and Sedgwick Overseas Group.

Allegheny has also elected three corporate officers. Mr Herbert C. Graves becomes vice president, corporate development, Mr Vincent J. Picozzi vice president, technology, and Mr Anthony D. Shanagher vice president, international finance. Mr Graves was president of several AI member companies including Carmet Company, IPM Corp, and True Temper Corp before being named senior staff vice president, acquisitions and divestitures, in November 1982. Mr Picozzi came to Allegheny International in December 1982, as senior staff vice president, technology, a newly created position. He spent 35 years with General Electric Company in Schenectady, New York. Mr Shanagher joined Wilkinson Sword in 1964 as an assistant chief accountant. In 1968, he was appointed director of finance and joint secretary. He later became chief staff officer and group finance director before becoming senior staff vice president, international finance.

★

Mr Norman W. Jones will retire as group chief executive of the LLOYDS BANK GROUP on November 30 when he reaches 60; he will remain a director of Lloyds Bank and will become a deputy chairman following the annual meeting in 1984. As reported on April 25, he will be succeeded by Mr Brian I. Pitman,

Mr Norman Jones, group chief executive, Lloyds Bank Group.

at present the deputy chief executive. Mr Pitman will be appointed a director of Lloyds Bank from December 1. Mr C. J. Montgomery, who has been a director since 1972 and vice chairman since 1978, will retire from the board of Lloyds Bank at the annual meeting in 1984.

★

Mr R. T. Somerville has been named treasurer of NMB BANK, London branch.

★

Mr A. P. M. Dear, managing director of ADVANCE SERVICES will leave the board on July 31, when he will have reached normal retirement age. He joined the BET Group in 1946, was elected to the board of Advance Services in 1968 and appointed deputy managing director in 1975 and managing director in 1979. Mr Dear will be succeeded by Mr G. W. K. Fenn-Smith (who became a director of the company in 1980).

★

Mr John A. Dembitz has been appointed senior manager—special projects for merchant bank CHARTERHOUSE JAPHET. He was formerly director of corporate planning at Amey Roadstone Corp, a subsidiary of Consolidated Goldfields.

★

Mr J. C. D. Goldschmidt, Mr P. H. P. Stephens, Mr H. G. S. Bourne, Mr R. A. Bourne, Mr F. C. E. Telfer and Mr J. B. Lambert are joining the partnership of LAURIE, MILBANK AND CO, stockbrokers on May 1.

★

Mr Neil J. Stroud has been appointed managing director of S. & M. ANDREWS (NORTHERN), UK merchanting subsidiary of the Stroud Riley Drummond Group. He has been with the group for the last ten years, latterly as general manager of S. & M. Andrews (Northern).

★

Mr Douglas A. Lacy, previously financial planning director of General Foods Europe in Brussels, has been appointed financial director of GENERAL FOODS (UK). He will continue to be a director of GF's Italian companies.

★

Mr Edward E. Barr has been appointed a director of COURTAULDS. Mr Barr joined the Courtaulds Group in May 1982 as president and chief executive officer of Courtaulds U.S. Developments Inc. He is now responsible for pursuing opportunities for new investments by the Courtaulds Group in North America outside the mainstreams of activity of the group's existing North American operations. Mr Barr was president of Sun Chemical Corp in the U.S. and played a major part in developing that company's operations in printing ink, pigments, speciality chemicals and advanced electronics.

★

The TOWCO GROUP has appointed two non-executive directors to the group board. Mr George H. Challis is a consultant to Keith Cardale Groves and was, until his retirement, head of premises division at Lloyds Bank. Mr John G. H. Hirsch is deputy chairman of the Appleyard Group and a director of Autocar Electrical Equipment.

★

DORR-OLIVER COMPANY has appointed Mr Peter W. Trigg as managing director in place of Mr R. F. Long, who is retiring. Mr J. Anton and Mr L. Bonnyay have been appointed directors.

★

GROUP 4 TOTAL SECURITY has appointed Mr Peter Tapply to the main board as operations director. He was managing director of Group 4's company in the Irish Republic.

★

Mr Thomas S. Haines has been appointed financial controller of BRIXTON ESTATE from May 1.

★

Mr Allan Murray has been elected vice-president of the NATIONAL TYRE DISTRIBUTORS ASSOCIATION. He is managing director of Central Tyre Company.

★

Dr Derek Jamieson has been appointed regional manager, conservancy, of THAMES WATER AUTHORITY, from May 1 after the retirement of Mr Brian Hardcastle. Dr Jamieson was water resources manager.

★

Mr Ron Jenkins has been appointed chief executive of JETSAVE. He joined as director and general manager in 1981.

★

Mr Richard D. Williams has been appointed managing director of MESSENGERS (BIRMINGHAM). He was European managing director of the Bostrom division of Signal. Mr Michael A. Johnson has been appointed managing director of BARKER ELLIS SILVER COMPANY from May 3. He rejoins Barker Ellis after four years as sales director of Stuart Crystal. Messengers and Barker Ellis are members of the Pentos Engineering Group.

★

Mr J. Berkeley Stewart has been appointed a director of ELBAR INDUSTRIAL.

★

Mr F. S. Tyler joins the partnership of FIELDING, NEWSON-SMITH AND CO, stockbrokers, from May 1.

★

Mr Roderick Macleod, chairman-elect of Lloyd's Register of Shipping, has been appointed a director of THE MONKS INVESTMENT TRUST (managed by Baillie Gifford and Co.).

★

GEC-XPELAIR has appointed Mr David Blythe as assistant managing director. He joined Xpelair in 1973 as works manager, a year later being promoted to works director, a position he has held until his new appointment.

TECHNOLOGY

EDITED BY ALAN CANE

OFFICE

More than half a loaf

NORTHERN TELECOM is offering modular software enhancements to its distributed data processing system that will allow advanced word processing, electronic message transmission, automated telex facilities, automatic remote communications and multi-system resource sharing.

It describes the package as local office automation facilities allowing the rather curious acronym LOAF to be applied.

Other slices of loaf will be served later and the ultimate objective is integrate all office applications on a common system, accessed from a common terminal. The user could then obtain, from one point, information common throughout a corporate system.

One of the modules, E-Telex, allows any workstation on the system to be used to compose, send and receive telex messages over the public telex network. Material sent can be from any source on the network, extracted from other files as necessary. Document formats are changed automatically to the requirments of the telex network.

Omniword, the WP segment, can be used in association with or separately from the DP functions and via the company's Omnilink resource sharing facility allows access to communications links, disk files and high value peripherals situated elsewhere.

In this way, information can be transferred between systems and then incorporated into WP documents. Similarly, drafts of lengthy reports can be printed out on a larger system's line printer.

Omniword incorporates "a powerful arithmetic package" called Minicalc that performs numerical functions on tabular information. The results can be presented either as tables or bar graphs and returned to a word processor document with a few keystrokes.

A further module, called Omnimail, allows screen messages to be sent between system users, either composed on the spot or extracted from other documents. A house directory enables just the recipient's name to be used in the address. Two levels of transmission urgency are available and either leased or dial-up lines can be employed.

BIOTECHNOLOGISTS WITH A NEW ANSWER TO CARDIO VASCULAR DISEASE

Behind the drug that eats blood clots

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CITY is being invited to invest in a drug that eats blood clots and therefore could make a big contribution to the treatment of cardio - vascular diseases. The top team from a U.S. biotechnology venture has been boasting that no other company knows how to make this particular drug.

Dr Alison Taunton-Rigby, vice-president in charge of research at Collaborative Research, a Route 128 company near Boston, Mass, has been introducing London investors to kidney plasminogen activator (KPA), the precursor of an enzyme called human urokinase, found in urine. From the way KPA binds itself to the surface of blood clots and eats them up, like the enzymes in a biological detergent dissolves stains, it could turn out to be the "ideal therapeutic drug" for many cardio-vascular conditions, she predicts.

Dr Alison Taunton-Rigby
V-P research and development

Trained at Bristol University with a PhD in chemistry, Alison Taunton-Rigby joined Collaborative Research in 1969: she believes she is the only woman in charge of research among the 200-odd new genetics companies.

Dr Orrie Friedman
Chairman of the board

Then a professor of chemistry at Harvard, Orrie Friedman set Collaborative Research when microelectronics was a much more attractive proposition for entrepreneurs than microbiology. Now the company is switching from contract research to "seed"

Hugh Routledge

Clinical trials

Under an agreement with Warner-Lambert, the big U.S. pharmaceutical group, Collaborative Research has developed a tissue culture process for making KPA. Dr Taunton-Rigby calls this "pre-pilot plant scale" and says it will yield enough KPA for clinical trials within months, she says.

The exciting thing about KPA compared with drugs such as heparin used now to treat problems with blood clots—stroke, deep-vein thrombosis, phlebitis, etc—is that the current drugs merely lessen the tendency of blood to clot. The doctor relies on natural process of "biodegradation" to get rid of any of the clots.

KPA, in contrast, seeks out the clots and binds to them. She believes it is the enzymes which naturally dissolves the blood clots, but the doctor will be able to inject it intravenously near the site of the problem to rid the circulatory system quickly of any blockage. Unlike heparin, however, it will not interfere with blood clotting.

KPA is one of a handful of biotechnology inventions in the portfolio of Collaborative Research, perhaps the oldest of the now fashionable bioventures. The company was set up in 1961, by Dr Orrie Friedman, then professor of chemistry at Harvard, at a time when electronics was more fashionable than biotechnology for such entrepreneurial ventures by scientists.

In 1969 he was joined by Yorkshire-born Alison Taunton-Rigby, fresh from Bristol University with a PhD in chemistry. Today she is youngest of a board that is striving to change the course of the company, from contract research to a "seed company nurturing new innovation for the pharmaceutical industry.

The drug industry needs such "seed" companies because it finds difficulties in attracting the very best scientists in the field of genetic engineering, Dr Taunton-Rigby says. Collaborative Research has Professor David Baltimore, who was awarded the Nobel Prize for medicine in 1975, on its board. He has been chairman as its scientific advisory board since 1979. Prof Baltimore is director of the Whitehead Institute at MIT, a few miles from the company's HQ at Lexington.

Prof Baltimore and Collaborative Research came together because the scientist was using biological reagents made by the company for the research which led to his Nobel Prize. Dr Taunton-Rigby had developed the reagents but the company was unsure whether it could find a market for them, she says.

She believes that she is the only woman in charge of research among the 200-odd new genetic engineering companies. Today the company is confident enough of some of the products from her research programme to change course and become a new-product venture.

In addition to KPA, the company is betting heavily on two more new health-care products. One, on which it has a U.S. patent, is a novel way of diagnosing conditions and diseases, called enzyme membrane immunoassay (EMIA). She is very enthusiastic about the simplicity of this test, which gives a yes-or-no answer in a single step, for example for venereal diseases, hepatitis, or poisons. It responds to big as well as small molecules. And it signals yes with a colour change as clear as litmus test for acidity, which can be measured to give a quantitative result. "You'll be able to put it into just about any equipment in the laboratory," Dr Taunton-Rigby claims.

But the simplicity of this EMIA technology also suggests that it can be adapted readily to home testing kits, for example for pregnancy or time of ovulation. The company has undertaken to develop for Sterling Drug prototype test kits for use in the doctor's surgery and in the home, that will give an answer in 20-30 minutes. Dr Taunton-Rigby believes that blue is the ideal colour for a positive indication in such qualitative tests. It is testing one kit and developing another four.

Already in the marketplace is another invention, known as Nu-Serum, first of a family of formulations for the culture of living cells. Successful cell culture depends crucially on the right balance of nutrients, a technology in which the company has over two decades of experience. It is using that technology to culture nutrients that compete with the natural extracts—for example, of foetal calf serum—widely used today. Its markets are both commercial producers—of vaccines, for instance—and research laboratories. It estimates the world market today for serum supplements at over $70m.

Dr Friedman, founder of Collaborative Research and still its major shareholder, claims he has created "a highly productive, innovative research organisation" with a staff of about 170. Its novel products "play into substantial markets," he says.

Financial support

Early next month, he hopes to raise another $10-$15m by selling 1.25m shares, to support the decision to change from a contract research company into one that carries much more of the risk of new-product development, in the hope that success will bring big biotechnology profits. Its prospectus is replete with warnings to the investor—"production of KPA in commercial quantities has not been achieved . . . no assurance can be given that the required approvals will be given."

But Dr Friedman is betting on two key factors to bring in the financial support for an integrated manufacturing company which, the prospectus warns, "will probably incur operating losses during the next several years." One is the calibre of the new directors he has recruited for his change of course, including Mr James Wimbush, president and chief executive officer, who has relinquished his post as president of the Ethicon division of Johnson and Johnson to join the entrepreneurs.

The other key factor is Alison Taunton-Rigby's research programme, with its emphasis on the genetic engineering of yeasts—"safe micro-organisms, easier and cheaper to grow than other organisms," she says. She believes it is possible today to make changes in two or three years by genetic engineering that previously took the food scientists two decades to do by classical techniques yeast breeding.

Control

Memory lighting system

From Rank comes news of a memory lighting system aimed at smaller theatres, touring companies, small TV studios, colleges and wherever there is need for sophisticated lighting sequences to be set up and then reproduced on demand.

The equipment, called Tempus M24, stems from Rank Stand's work in this area for larger theatres — the company was among the first to introduce the micro into theatre lighting.

Designed to control up to 60 dimmers and memorise some 185 different lighting cues, M24 will operate on all Strand thyristor controlled dimmers and many from other makers. It is simple to operate — anyone who can use a pocket calculator says the company, can learn to use M24 in 15 minutes.

Facilities are provided for visual display of cues and memory content on any domestic TV set. More on 01-568 9222.

Microelectronics

Universal PROM programmer

AN UPDATED version of the 29A universal programmer for read only memories has been launched by Data I/O. The company says that the new machine can accommodate 256k memory devices now and will handle 512k memories when they become available. More details are available from Data I/O in Amsterdam, Netherlands on 020 186855.

HOW AGA INFRARED SURVIVES BY SELLING WORLDWIDE

Making a living from heat detection

MR CLIFF WARREN, managing director of Aga Infrared Systems, describes his company as a "micro multinational giant." Why? "We sell our systems in every square centimetre of the earth, have 6½ subsidiaries but only employ 200 people in all," says Mr Warren.

So the company which makes a range of thermal measurement systems has infrastructure of a large multinational company with the problems of marketing throughout the world, dealing in many currencies and understanding international law but operates on a much smaller scale.

Aga Infrared is a member of the Pharos group, based in Sweden. Until last year it was part of the Aga group, one of Sweden's largest industrial companies which deals mainly with the supply of industrial gases. But Aga decided to float the Pharos group—a mixture of 10 very different high technology companies—out on its own.

Essentially Aga Infrared makes advanced thermal measuring systems based on infrared technology. The systems sell for between SKr 12,000 and SKr 500,000 so are very much at the top range of the market.

It has three main product areas. About 60 per cent of its business is on maintenance and inspection of overhead power lines for electricity utilities, petrochemical, and steel industry measurements. They have developed portable equipment which can detect overheating components which might cause failure.

In the petrochemical industry Aga's systems monitor the flow of liquid and gases through the process plant, identifying any blockages in valves or heat exchangers. In steel applications its equipment is used for example, to measure temperature distributions within a blast furnace.

The fact that 98 per cent of Aga Infrared's business is overseas means that American born Warren spends 110 days out of Sweden every year. But Mr Warren is philosophical about the amount of travelling he does.

"You can never tell who is going to call next," Mr Warren said. "Our equipment is used to test the quality of coatings on the windscreens for the Boeing 747, and in the manufacture of leather blankets. It has even been used on the space shuttle."

ELAINE WILLIAMS

THE PROPERTY MARKET BY MICHAEL CASSELL

Kodak may quit High Holborn

LESS THAN two years after paying £24.5m for an office building developed by European Ferries in London's High Holborn, Kodak is considering moving out.

The company says it is reviewing the need for a continued presence in central London but that no final decision has been taken.

If the move goes ahead, it will be the latest in a line of relocation decisions taken by major, central London office occupiers and the decision will do nothing to underpin the confidence of an office market already suffering from a large surplus of space.

Kodak says that high rates—the building is in Camden—have made it rethink the need for a building in Holborn while its poor location in relation to Heathrow—which many of the staff have to use—has also become an important factor.

The 83,000 sq ft building was purchased before its completion from European Ferries in July 1980, a few months after Kodak had agreed to take a long lease on the building at an initial rent of £16 a sq ft.

Located at 190 High Holborn, the property houses the European headquarters of Eastman Kodak, the parent company which monitors the activities of its European subsidiaries, including Kodak in the UK. The British operation is based at Hemel Hempstead, Hertfordshire, but also occupies part of the High Holborn complex.

A spokesman for Kodak said that staff would be relocated if the company decided to leave Holborn. Whether the building would then be leased to a new occupier or sold off had not been decided.

In considering whether or not to go, Kodak will be only too well aware that, when it bought the building from European Ferreis, the price agreed was widely regarded as being a very full one, reflecting the local market's strength at that time.

Now, however, investors are hardly falling over each other to buy and few of them, in any case, have the funds available to contemplate such a large purchase. There are a substantial number of investments around at figures *considerably lower* than the sum which Kodak could be expected to raise and even here buyers are limited.

If Kodak decided to offer a lease, then they would be lucky to achieve the £16 a sq ft which they themselves were paying before the purchase. Rents in Holborn have stagnated and about £16 remains the top limit for best space. But like most potential candidates for relocation, the nature of the market is such that they are unlikely to contemplate a move until they have got a tenant or a buyer actually lined up. For the time being, not an easy trick.

Docklands—Mr Broackes has another go

WHAT the London Docklands Development Corporation lacks in agreed development projects it certainly makes up for with large helpings of enthusiasm.

This week's announcement of plans to regenerate the controversial Surrey Docks site has, in the words of the LDCC, "ended more than a decade of uncertainty over its future." An unkind commentator could see it in a rather different light.

Mr Nigel Broackes, chairman of the LDCC and apparently as much at home in the cab of an excavator as in the back of his elegant Rolls Royce, said on Tuesday that proposals to develop Surrey along with the adjacent Greenland docks could now proceed apace.

Individual parcels of land are to be placed on the market, with the intention of assembling the office, industrial, housing and shopping components. Developments, he said, could be started by the year end.

As Mr Broackes emphasise, the people of Southwark have waited too long for a significant development, having experienced several false starts. But the latest of them—involving the £200m redevelopment plan put forward for the Surreys by Lysander Estates—seems an entirely unsatisfactory affair.

Lysander's proposals emerged in 1980 and were picked by the Greater London Council and Southwark council after a competition. Outline permission was given by Southwark last May but in November it, and the GLC, withdrew support because they had "lost faith" in the scheme and in Lysander.

At that time, Mr Broackes described the decision as "disappointing" and said he expected his reaction to be echoed by the residents of Southwark who had welcomed the scheme. The LDCC, he added would be trying to find a way of "allowing the people's wishes and the promoters' intentions to be realised."

One month ago, Parliament vested the land in question in the LDCC (as it had done in 1981 in the case of Greenland Dock) and Lysander looked set. This week, however, the LDCC said the Lysander plan "guaranteed neither the scale of development nor the commitment required by the LDCC." It would be free, however, to submit fresh proposals.

Mr Roy Williams of Lysander said he was "surprised and disappointed" and claimed the two parties had drawn up an agreed memorandum—subject to board approval on both sides—envisaging a full-scale scheme or a smaller, fall-back plan which could have ben necessitated by problems with road access. The LDCC denies that "even a gentleman's agreement" existed.

Whatever the position, the LDCC now has its land and intends to press on with its ambitious plans. The GLC says the Lysander refusal vindicates its own, earlier rejection and predictably says the LDCC has little idea of what should now happen and will have to look to its "City friends" to bail it out. The Corporation could, indeed, have major problems in attracting an essential and sizeable commercial element to the docks and until it does the "uncertainty" is by no means over.

Government grant paves way for Paradise Circus

AN URBAN development *grant* from the Government has paved the way for completion of Birmingham's Paradise Circus, the site which has become known as the "hole in the heart" of the Second City.

The £4.5m injection of state cash, complemented by £5m from Birmingham City Council, will finally enable the much-delayed £35m project to go ahead.

The development will include a four-star hotel and 181,000 sq ft of office space in four separate buildings. It will be carried out by Henry Boot Projects, who have been talking to the city council for two years. *Funding of the scheme,* by as yet undisclosed participants, was conditional upon the Government grant. Grimley and Son will be the sole agents.

Paradise Circus is arguably the most prominent site in Birmingham city centre and work on the development stopped eight years ago because of a shortage of council funds. The incomplete scheme has been regarded by many as an affront to the city and private developers have been discouraged from any involvement without a council commitment to complete its own building.

Now the grant will allow completion of the council *offices, a car park and* additional facilities such as a conference studio, a lecture theatre and a building to house the Shakespeare Memorial Library.

The first part of the office development, to be called Chamberlain House, will provide nearly 36,000 sq ft of lettable space. Central to the scheme is the new Penta hotel, which will have conference facilities that some city planners believe could dissuade private developers from backing the council's proposed £400m convention centre project in nearby Broad Street.

Work on Paradise Circus is *expected to start in the autumn* and should be completed by the end of 1986. The project is the latest in a number of commercial schemes which together represent a significant revival in development activity in the city.

Next week, Viking Property begins work on the long-awaited Snow Hill development, which will provide 250,000 sq ft of office space on the site of the old railway station. In Victoria Square, Tarmac Properties' office scheme is underway and the 60,000 sq ft Embassy Developments building in Cornwall Street should be completed in the autumn.

Property investment takes a tumble

THE year-end surge in overseas investment by British financial institutions took its toll on the property sector in the last quarter of 1982.

Unperturbed by the depreciation of sterling (and no doubt keen to get in before things got worse) investors piled into foreign government securities and into equities leaving poor old property on the sidelines.

Figures from the Central Statistical Office show that institutional investment in property (excluding shares) during 1982 reached £2.16bn against £2.18bn in the previous year. *Strip out the operational* purchases made by building societies and the trustee savings banks and the total falls to £1.84bn against a comparable £1.96bn in 1981.

In the last quarter all institutional property investment fell to £515m from £571m in the third quarter and while insurance company transactions rose to account for £310m of the total, pension fund investment slumped to £98m, just half the level recorded in the previous three months.

In the year as a whole, pension fund investment in land and property reached £731m against £774m in 1981. At the same time, the insurance companies put another £1.05bn into real estate compared to £1.07bn in the previous year.

The outcome for 1982 as a *whole* represents a surprisingly stable picture but the figures are now history and interest inevitably centres on prevailing institutional attitudes towards property as an investment option.

It would be difficult to describe that attitude as enthusiastic, though it hardly makes sense for investors to dwell too much on the downside of a market in which they are already heavily committed.

The plain fact is that, while capital values for quality property look secure, the prospects for improved returns over the short- to medium-term do not look encouraging, given the imbalance of supply and demand and the sluggish economic upturn.

Just *how* expansion-minded potential occupants are likely to be, having stuck painfully to the *Margaret Thatcher* "leaner and fitter" slimming course, will also play an important role in dictating the scale and pace of any revival in demand.

There is little doubt that competition *among investors for* good properties will remain keen, though it is the definition of "good" which is changing. Further increases in overseas property investment also seem likely, though the Pru last week gave a timely reminder that money flows two ways and said there was evidence that a lower sterling exchange rate was renewing overseas interest in UK property.

IN BRIEF

French Kier shops in Southend

FRENCH Kier Property Investments has submitted plans to Southend council for a £20m retail scheme at the southern end of the town's High Street.

The plans involve 229,000 sq ft of shopping space—including a 76,000 sq ft superstore and 30 units of varying sizes. "The Royals" could be trading in 1985 if planning permission is granted. Hillier Parker May and Rowden and Watson Temple Talbot and White are letting agents.

● House of Fraser has negotiated, though not concluded, an agrement with London and Metropolitan Estates for the £50m redevelopment of the Barkers store in Kensington.

The scheme will include a 15,000-sq-ft department store for House of Fraser, a number of shops and about 200,000 sq ft of offices. Development could start within a year and the preject will take about 2½ years to complete.

● Legal and General is about to put 3/10 Finsbury Square, London EC2, on the market for sale or to let. The 87,900 sq ft building was occupied since 1954 by Iranian Oil Services but L and G got the lease back about a year ago. Richard Ellis and Weatherall Green and Smith will be offering the freehold at £11m or there could be a new 25-year lease.

● House of Fraser is to take a 91,000 sq ft department store in Cruden Developments' 280,000 sq ft Fishergate scheme in Preston, being developed with British Rail. Trading as Binns, the store will be one of two main anchor tenants, the other being William Morrisons (Supermarkets). Joint letting agents on the £16¾m scheme—work should start this summer and take two years to complete, Healey and Baker and Howarth and Green are letting agents.

● Regalian Properties (Provincial) is planning a 125,000 sq ft retail scheme in Royal Tunbridge Wells to the north of Calverley Road, including a 47,000 sq ft store for Sainburys. There will also be extensions to Woolworths and British Home Stores and links to Boots and Marks and Spencer. Regalian hopes for a Christmas 1985 opening.

● Rush and Tompkins has acquired a 50 per cent interest in Nassau Park, which owns a 210-acre development site near Princeton, New Jersey. The site has zoning for a 600-bed hotel and 2m sq ft of offices and phase one—a 220,000 sq ft office block—will start later this year. At home, the company is to develop a £6m leisure and retail centre in the heart of Exeter.

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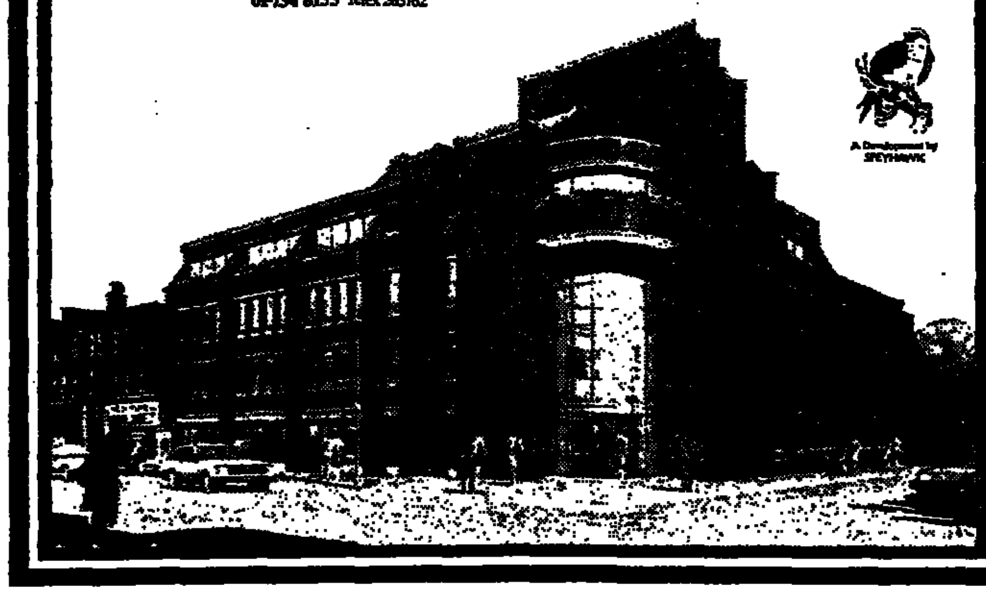

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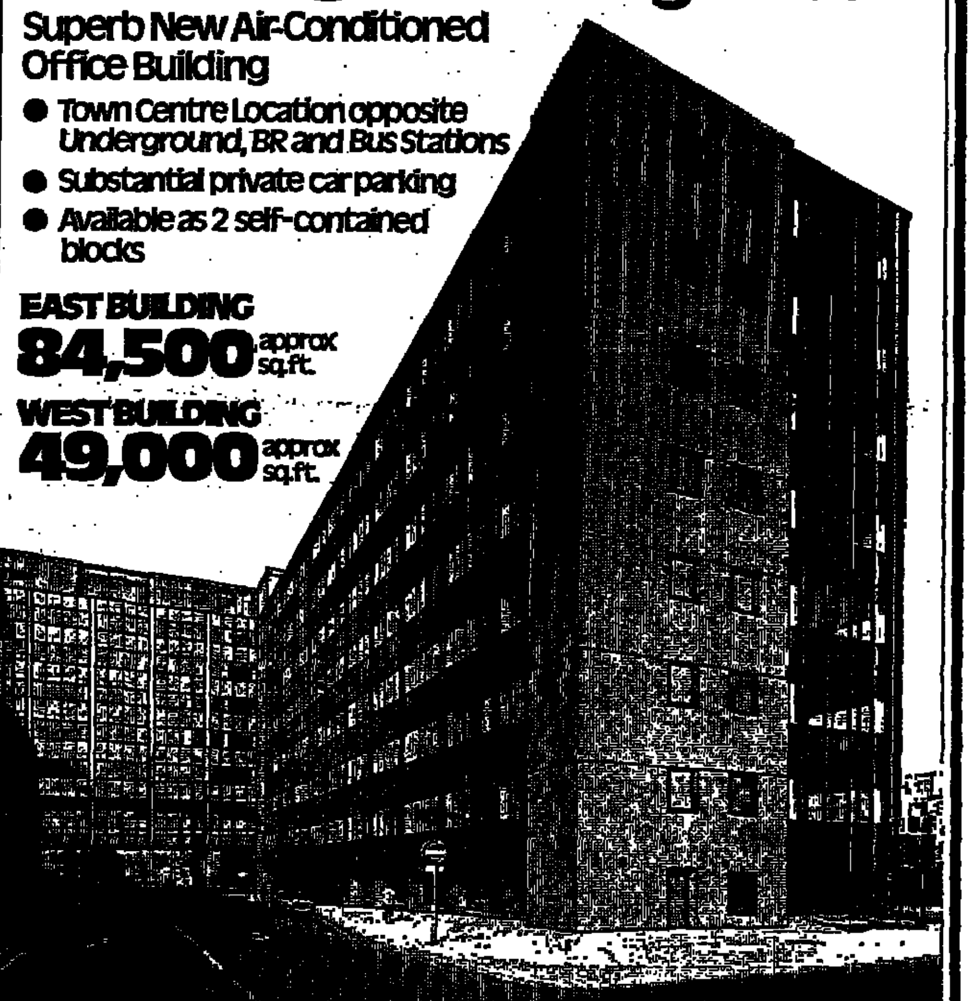

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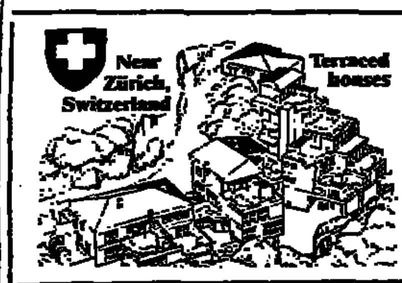

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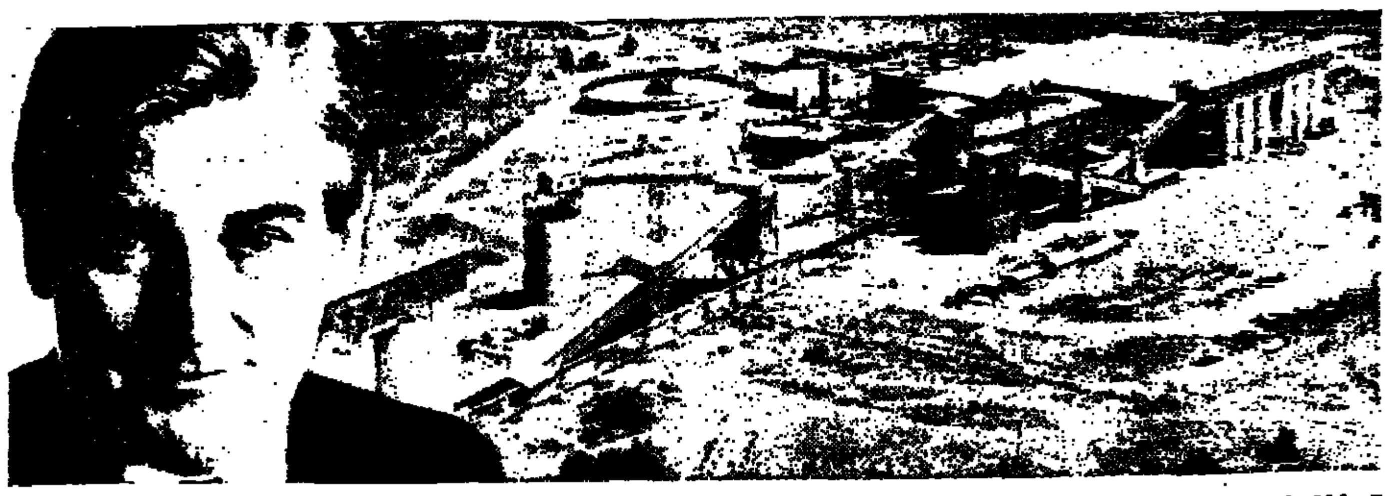
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



Consolidated Gold Fields' Kloof mine (above). Chairman Rudolph Agnew says: "We have ceased to be ambivalent about South Africa"

Gold Fields goes back to basics after its U.S. debacle

Richard Lambert explains how the UK mining group is redefining its goals

FOR THE second time in just over 10 years, the American dream has gone badly wrong *for Consolidated Gold Fields*, the UK-based mining and construction materials group.

Its frequently stated ambition of becoming the "most successful foreign investor in the U.S." has been shattered in the past 12 months in a setback which has placed the dividend payment in jeopardy and led to a painful boardroom upheaval.

The experience may have a positive outcome. A group which for years seemed uncertain about its corporate objectives now says that its goals are clear. Rather than developing into some form of international conglomerate, it says it is determined to stick to its traditional businesses.

A little over 10 years ago Gold Fields was also licking its wounds in America. During the 1960s it had acquired control of American Zinc in a bid to diversify away from its politically sensitive South African mining interests. But its timing proved disastrously wrong. "Gold Fields made a pig's ear of it." says David Lloyd-Jacob, the Englishman who was sent out to clear up the mess in 1970.

By the end of 1971 most of the zinc business had been sold, and Gold Fields was left with net assets of around $2m plus tax losses of about $35m, which could be set off against future profits in the country. "Our initial objective was to recover the tax loss," recalls Rudolph Agnew, who succeeded Lord Erroll as group chairman at the beginning of this year.

With a blend of good luck *and good judgment, the U.S.* operation became an outstanding success. Under Lloyd-Jacob's lead, it acquired a small drilling rig manufacturer, some steel distribution interests, and a mini steel mill in Knoxville, Tennessee, all of which were—and are—good businesses. Within about three years, the tax losses had been absorbed.

Although Gold Fields' long term ambitions in the U.S. industrial sector were never entirely clear, Lloyd-Jacob made no secret of his ambitions. "My long term goal was to build a major presence in America," he says—and the U.S. profit figures were good enough to persuade London to go along with that idea.

Gold Fields began to make bigger acquisitions in the U.S., and to develop its own corporate structure in the country. Amcon—a bland name with no hint of a South African connection—was set up as the holding company for the U.S. assets, and began to publish its own report and accounts even though it only had one stockholder.

In his annual report for 1981, Lloyd-Jacob stressed that Gold Fields had its eye on the long term. "Most of our senior operators are quite young, and they really mind about the long term strategy because they'll be around when it matures," he explained.

He also highlighted Amcon's increasing emphasis on internal business development. "Nine years after our first acquisition in 1971, we were prepared to take on a real turnround situation," he wrote. "The 1980 purchase of Skytop Brewster (a large drilling rig manufacturer), for around $60m was the biggest risk we have so far taken."

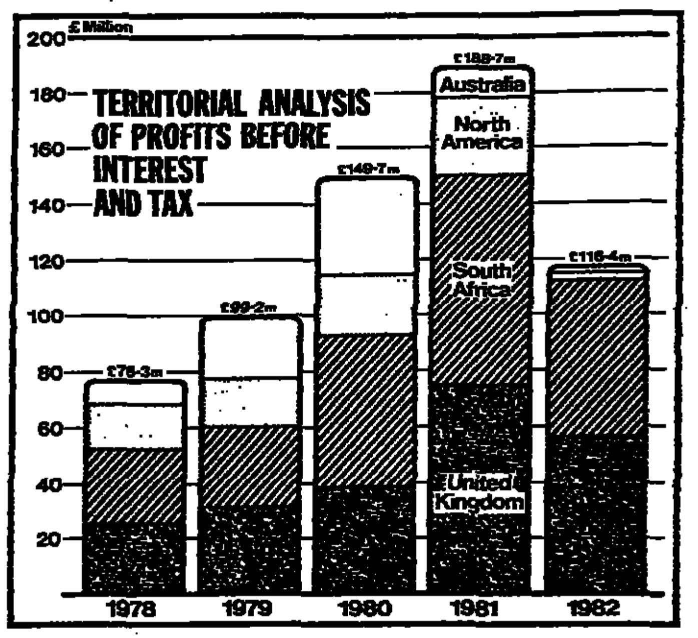
The early results of Skytop Brewster were well ahead of expectations. But already subtle shifts were under way back at London headquarters. For a start, according to Agnew. "We had ceased to be ambivalent about South Africa."

Whereas in earlier years it had been anxious to dilute the political risk in its South African investments by using them as a foothold for expansion elsewhere, it now took the view that these new businesses would have to grow under their own steam. The South African assets, it decided, were just too attractive to be run down.

By the end of the 1970s, there also started a period of what Agnew calls "genuine debate" within Gold Fields about its business objectives. Was it to develop into some kind of international conglomerate, or should it concentrate on its mining, extractive and construction material interests?

Agnew dates the start of this discussion to his appointment as chief executive in 1978. "Corporations are like any form of human society," he says. "They resolve things through debate."

Although the group was beginning to ask questions about its industrial diversification, it had no doubts about the need for a broader geographic base. Late in 1980, it raised over £180m through a rights issue, and began to look for a big mining acquisition in the U.S.



One possibility was an outright bid for Phelps Dodge, and the group also toyed with even more ambitious merger plans. In the end, it settled for a 25 per cent holding in Newmont Mining, a big and well diversified natural resources company, at a cost to date of around $400m.

Agnew says that the willingness to go for a minority stake in a large company represented a difference of opinion, though not *an argument*, with Lloyd-Jacob. "I actually believe in minority stakes," he says, arguing that in a sensitive industry like mining it is sensible to leave big shareholdings in local hands. "Influence is more important than control," he believes.

Amcon flourished through 1981, especially in the drilling rig business, where sales jumped from $65m to $164m. With the energy boom showing no signs of faltering, the group projected that sales in this field would rise to $28m in 1982, and the workforce at Skytop Brewster climbed to around 1,800 people. "We were all seduced by the numbers." Lloyd-Jacob admits.

Then, almost overnight, the market disappeared. From a peak of 4,530 in December 1981, the number of drilling rigs operating in the U.S. plunged by almost 2,000 in the space of 12 months. By February 1982, Lloyd-Jacob was telling his fellow Gold Fields directors that the only thing to do was grit their teeth in preparation for what was bound to be a very hard year.

On one thing he was clear. With hindsight, it would have been sensible to sell Skytop when its early results turned out to be so much better than expected. "But if you didn't sell it then, you certainly shouldn't sell it later."

As the year progressed, however, Lloyd-Jacob became aware of what he describes as "a perpetual background of distant gunfire." Agnew says that it was clear by March that something would have to be done about Skytop. The setback, he says, "was a great shock to the system. It paralysed clear thinking for a number of months."

That's hardly surprising. The two men are both in their forties, and had each worked for Gold Fields for 20 years and more. They had joined the main board together a decade earlier. And Amcon had been seen as one of the group's great successes.

Lloyd-Jacob remained doggedly expansionist. In his annual statement in August, he argued that "this could be a good moment to buy assets that will be worth more in the long run."

But by the beginning of November, it was all over. Lloyd-Jacob resigned all his positions at Amcon and Gold Fields and the U.S. operation was brought firmly under London's wing. *Humphrey Wood*, a group managing director, became chief executive of Amcon while retaining his other responsibilities within the overall group.

Last month Gold Fields revealed the cost of the debacle. In the half year to December, the group's manufacturing and commercial interests had plunged from a profit of £20.1m to a loss of £2.3m. And a decision to "discontinue its investment" in Skytop Brewster had led to an extraordinary provision of £87m. As a result, shareholders' funds had dropped in the space of six months from £633m to £591m.

As well as getting out of Skytop Brewster, Gold Fields is also pulling out of steel distribution in the U.S. (Lloyd-Jacob made an unsuccessful approach to buy this business). In essence, it will be left with the Newmont investment, a successful mini-mill, a promising mining and exploration company — and tax losses and allowances of over $100m. Agnew says hurriedly that there are no plans for repeating the pattern of the early 1970s by buying new businesses for tax reasons.

The overriding lesson of this experience, he believes, is that companies should stick to the businesses they know best. Gold Fields, it seems, finally knows what it wants to be: a mining company which is broadly based in terms of geography and natural resources, with important interests in construction materials.

Multinationals

Differing views on Third World image

MULTINATIONAL companies should devote more resources to building up their reputations in Third World countries, maintains the London-based Corporate Responsibility Centre, an independent pressure group campaigning for wider business involvement in community affairs.

The call by the CRC follows the publication of its new survey which suggests that multinationals are deluding themselves by believing their reputation in developing countries is better than it actually is.

Too corporate officers of multinationals consistently viewed their activities in such sensitive areas as secrecy, technology transfer, political involvement and questionable business practices such as bribery in a more flattering light than diplomats of the developing countries in which they operate.

The CRC survey* investigated the views of 30 different London-based diplomatic missions *of Third World countries* and corporate officers in 48 separate multinationals.

Opinions varied most widely on political and commercial issues.

Asked for their views on the current political behaviour of *multinationals*, a majority of diplomats—60 per cent—said *only a minority behaved well.* In contrast three-quarters of the top corporate officers said they thought the majority did.

A similar divergence of opinion emerged over whether multinationals sought to change hostile governments through conspiring their downfall with opponents of such regimes. Not surprisingly, the vast majority of the multinationals denied this but a third of the diplomats thought it was true.

A large majority of multinationals—85 per cent—also thought they behaved well commercially, but little more than 50 per cent of the diplomats agreed. The balance said that only a minority behaved well.

More specifically, 80 per cent of the diplomats said that multinationals were involved in corrupt practices, particularly the bribery of ministers and officials. Once again, the majority of multinationals denied this, although a significant number—just over a third—admitted it was true.

The centre believes the urgency for multinationals to do more image-building is underlined by another key finding of its survey—that as many as 48 per cent of the diplomats, while generally favouring the use of private capital as a means of Third World development, wished to see a decreasing role for multinationals in the economies of developing countries.

The CRC believes that there is clear unity of interest between multinationals and host countries in building bridges of confidence to permit maximum use of private sector capital.

"It is crucial that every effort is made to ensure that the right climate for a constructive working relationship continues to develop, based on the secure foundations which are already in place and which are not fully appreciated," it says.

"It follows that there should be a conscious effort by multinationals to explain themselves, their operations and the nature of the benefits that they can offer, in terms which are understood by the various audiences which exist in both the developed and developing countries. This process does not require more than a minute fraction of the resources available for business development, but it does need to be part of the operational strategy of all multinationals and implementation must have the commitment of managers at all levels."

While largely unfavourable to multinationals, the CRC survey does note that a significant *minority* of respondents—especially among the Third World diplomats—believed that their labour relations performance was improving.

Respondents to the survey were asked to identify those multinationals which they believed to have the best and worst reputations. Unilever emerged as having by far the best reputation; there was no clear candidate at the other end of the scale, although the mining industry as a whole had the worst image.

* *Multinational Companies and World Development: The Reputation Factor, available from the CRC, Museum House, Museum Street, London WC1A 1JT. Price £27.50.*

Arnold Kransdorff

THE ARTS

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty *has been convened. Chill*, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick *as the* actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 6565).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): *Triple bill of* Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play starring Toyah Wilcox that sets the battle of the sexes in a wrestling ring. This fringe success has reopened the embattled City of London venue. (236 5568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits *Gilbert and Sullivan on a* whoopee cushion. (836 8108)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a *good selection of the acting talents of* the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

Brighton Beach Memoirs (Alvin): As usual, Neil Simon is more funny than touching even when recalling painful puberty in 1937 as his family struggles with the Depression, with an excellent cast led by Matthew Broderick as the aspiring teenage writer. (757 8646).

Showboat (Uris, 51st W. of Broadway): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in *New York dockland. Tony LoBianco* may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

Amadeus (Broadhurst): *David Dukes* stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice *in a lively and imaginative* rendition directed by Tony Tanner. (245 5760)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has *his* imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

WASHINGTON

Buried child (Kreeger): Vintage Sam Shepard, a 1979 Pulitzer Prize winner, recounts a family reunion in which the returning son is not remembered by the rest of the family and garbage ends up on the floor. (Arena, 488 3300)

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the *four walls of a middle-class New* England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Gardenia (Goodman) John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocent.

VIENNA

Vienna's English Theatre (421 260): Hughie and Before Breakfast: two one act plays by Eugene O'Neil. (Daily except Sun)

Theater an der Wien (579 632): Anatevka (Daily except Mon).

Music

VIENNA

Musikverein (658 190): Berlin Philharmonic, conductor Herbert von Karajan. Brahms (Mon and Tues); Vienna Symphony Orchestra, conductor Gennadij Roshdestwensky. Brahms, soloist: Viktoria Postnikowa. (Wed and Thur).

Konzerthaus (721 211): Chamber Music Soloists. Brahms, Haydn (Mon).

The Vienna Festival, from May 7 to June 12, includes a new production of Turandot conducted by Lorin Maazel at the Staatsoper where there will also be performances of Luisa Miller, Fidelio, Capriccio, Der Fliegende Holländer, Die Zauberflöte, Tannhäuser, Elektra and the Barbier von *Sevilla*. Donizetti's Viva La Mama is premiered at the Volksoper. The Bolshoi Ballet from Moscow visits the Theater an der Wien, and concerts include the Vienna Philharmonic, Radio Symphony Orchestra, Berlin, ORF Symphony, English Chamber Orchestra and conductors include Maazel, Wolfgang Sawallisch, Riccardo Chailly, Philippe Entremont, Nicolas Kraemer and Claudio Abbado. This year's festival celebrates the 300th anniversary of the siege of the city by the Turks, and various exhibitions have been organised around the subject.

LONDON

Murray Perahia, piano. Beethoven, Schubert and Mendelssohn. Royal Festival Hall (Mon). (928 3191).

Allegri String Quartet with James Campbell, clarinet. Schubert and Mozart. Queen Elizabeth Hall (Mon). (928 3191).

Philharmonia Orchestra and Chorus conducted by Norman del Mar with Robert Cohen, cello. Walton, Elgar and Holst. Barbican Hall (Mon). (638 8891).

London Philharmonic Orchestra conducted by Klaus Tennstedt with Anne-Sophie Mutter, violin. Beethoven and Mozart. Royal Festival Hall (Tue and Thur).

Malcolm Binns, piano: Chopin. Queen Elizabeth Hall (Tue).

Academy of St. Martin-in-the-Fields directed by Iona Brown: Handel, Corelli, Bach, Mozart and Tchaikovsky. Barbican Hall (Tue)

ZURICH

Tonhalle (201 1580): Chamber music including Gabrieli, Scheidt, Rossini and Villa-Lobos (Mon 6pm): Tonhalle Orchestra with Uto Ughi, violin, conducted by Christoph Eschenbach. Brahms (Tue): Güber and Süber Pekinel piano duo. Brahms, Stravinsky, Busoni and Rachmaninov (Wed); Chamber music. Brahms and Ligeti. (Thur).

PARIS

Vyron Bellas: Beethoven Sonatas (Tue). Theatre des Champs Elysees (723 4777).

Ensemble Orchestral de Paris conducted by Marc Soustrot: Schubert, Hummel, Honegger (Tue). Salle Gaveau (563 2030).

Murray Perahia, piano: Bach, Beethoven, Mendelssohn, Chopin, Schubert (Wed). Theatre des Champs Elysees (723 4777).

Jacques Rouvier, piano: Schumann, *Beethoven* (Thur 3pm and 8pm) Salle Pleyel-Chopin (563 8873).

Ensemble Orchestral de Paris: Jean Hubeau, piano, Jean-Pierre Wallez, violin, Quatuor/Arcana: Faure, Dutilleux, Franck (Thur) Salle Gaveau (563 2030).

NEW YORK

New York Philharmonic, Zubin Mehta conducting. Horacio Gutierrez piano. Schubert, Schoenberg, Debussy, Chopin (Tue); Zubin Mehta conducting, Myung Hi Kim violinist, Julius Baker, flautist. Vivaldi, Sibelius, Schumann, Liszt, Mennin: Flute Concerto (world premiere) (Tue). Avery Fischer Hall (874 2424).

London Symphony: Claude Abbado conducting Antonio Meneses cello. Ravel, Elgar, Mussorgsky (Tue). Carnegie Hall (247 7459).

WASHINGTON

National Symphony: Jean-Pierre Rampal conducting/flautist Toshiko Kohno flautist. Rossini, Cimarosa, Mozart, Beethoven (Tue, Wed, Thur). Concert Hall, Kennedy Center (254 3776).

CHICAGO

Chicago Symphony: Mark Elder conducting, John Browning piano. *Berlioz*. Stravinsky, Dvorak (Thur). Orchestra Hall (435 8122).

Arts Week

F	S	Su	M	Tu	W	Th
29	30	1	2	3	4	5

Opera and Ballet

WEST GERMANY

Hamburg Opera: Arabella produced by Otto Schenk has Anna-Tomowa *Sintow in the title role. La Boheme* sung in Italian has Beatrice Haldas excelling in the part of Mimi. Der Barbier von Sevilla with a cast headed by David Rendall was triumphantly revived. (35 11 51).

Frankfurt Opera: This week's highlight is Ariadne Auf Naxos with Agnes Baltsa as The Composer and Janis Martin in the part of Ariadne. Der Fliegende Holländer is presented with Franz Ferdinand Nentwig in the title role. Fidelio has Sabine Hass as Leonore. Die Entführung aus dem Serail closes the week. (25 621).

Munich Bayerische Staatsoper: La Cenerentola features Francisco Araiza and Barbara Daniel. Fidelio has Hildegard Behrens and Franz Ferdinand Nentwig. Aida conducted by Gian Franco Masini has fine interpretations by Livia Budai and Giorgio Lamberti. (21 851).

Berlin Opera: Russian singer Natalia Troitskaya makes her debut in Berlin in the part of Amelia in Ein Maskenball. Pilar Lorengar is starring in Carmen. The Magic Flute closes the week. (34 381).

LONDON

Royal Opera, Covent Garden: The Royal Opera's second postwar attempt *at Puccini's Manon Lescaut, after all* its much-publicised birth pangs, is finally revealed to an audience; Kiri Te Kanawa, Placido Domingo, and Thomas Allen take the leading roles, Giuseppe Sinopoli conducts. Last performance of Poulenc's Carmelites, with Felicity Lott and Regine Crespin at the head of a splendid cast. (240 1066).

English National Opera, Coliseum: Prokofiev's Gambler, an early, uneven, but vivid and exciting work, joins the ENO repertory, in the third of David Pountney's new productions this season. The conductor is Christian Badea, and the cast in*cludes Graham Clar, Sally Burgess*, and Ann Howard. Final performance of The Force of Destiny, magnificently led by Josephine Barstow and the conductor John Mauceri; more of the company's well-routined Fledermaus. (836 3161).

Royal Opera House, Covent Garden: Sadler's Wells Royal Ballet starts an engagement on *May 5* with Peter *Wright's new* Swan Lake with Galina Samsova in the lead.

PARIS

Stuttgart ballet company presents Eugene Onegine with Tchaikovsky's music arranged by Kurt Heinz Stolz and choreography by John Cranko at the TMP – Chatelet (261 1983).

Bob Fosse's Dancin'. Palais des Congres (758 1458).

Romeo and Juliette, choreography by John Cranko, directed by Georgette Tsingui – *Rides is danced by Paris* Opera Ballet. Opera de Paris (742 5750).

La Belle Helene in a new production by Alain Lombard at the Opera *Comique* (296 0611).

NEW YORK

New York City Ballet: In his first season as artistic director as a result of George Balanchine's ill health, Peter Martins presents 30 works from the company's repertory, ranging from Balanchine's first American work, Serenade (1934), to four pieces premiered in winter, by Martins, d'Amboise and Duell. New York State Theater, Lincoln Center (870 5570).

Paul Taylor Dance Company: Two world premieres, Sunset and Snow White, are included in the 24-perfor*mance season of one of America's* veteran modern dance troupes. City Center (55th E. of 7th Av, 581 7907).

New York City Ballet: Peter Martins takes the reins of the company presenting *40 works* from their repertory, ranging from George Balanchine's first American work, Serenada (1934), to four pieces premiered in winter, by Martins, d'Amboise and Duell. New York State Theater, Lincoln Center (870 5570).

Alvin Ailey American Dance Theatre (City Center): Three local and one company premiere are part of the *spring season of a company that has* parlayed American gospel, Broadway and classical dance themes into a national institution of its own. (55th E. of 7th Av, 581 7907).

WASHINGTON

Metropolitan Opera: National tour features performances this week of Der Rosenkavalier, Adriana Lecouvreur, and Boris Godunov. Opera House, Kennedy Center (254 3770).

BRUSSELS

Le Comte Ory: Theatre Royale de la Monnaie.

Flanders Royal Ballet with Balanchine's Brillante and Cranko's Opus 1. Westrand Cultural Centre.

VIENNA

Staatsoper (5324/2655): Madame Butterfly, Die Zauberflöte, Capriccio.

Volksoper (5324/2657): Die Csardasfürstin, Wiener Blut, Der Wildschütz, Das Feuerwerk, Gasparone.

Régine Crespin in last performances of The Carmelites at Royal Opera, London

Exhibitions

NEW YORK

Metropolitan *Museum of Art*: Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice *pieces, including* the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

Whitney Museum: Films and videotapes by 30 artists highlight the 62nd Biennnial for American artists, including Frank Stella and Jasper Johns among the 76 artists represented by 124 works. Ends May 22.

CHICAGO

Museum *of Contemporary Art*: To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

ITALY

Venice, Museo Correr: Eighteenth century engraving. Ends June 5.

VIENNA

Hermes Villa, Lainzer Tiergarten: Heinrich von Ferstel – buildings and projects for Viennaa to commemorate the centennary of the birth, of the architect whose projects, realised and unrealised revolutionised the architecture of his time. The architects of the Votivkirche in Vienna is renowned not only for his "modern" designs but also for his use of new techniques. His steel constructions, often with a variety of costly stone, marble and bronze and his imaginative cafes, restaurants and private villas remain as witness to his rich talents.

BRUSSELS

Royal Palace of Laken's Greenhouses. Annual opening of the royal plant collections. Friday and Saturday evening visits are floodlit. Ends May 15.

Palais des Beaux Arts: Venetian draw*ing of the 18th century*. Tiepolo, Piazetta, Piranesi, Guardi, Canaletto.

Societe Generale de Banque: 100 years of glass in Europe. Ends May 20.

Kredietbank: *Young artists of Flanders*.

Musee du Costume et de la Dentelle: From Worth to Chanel.

Theatre National (from 6pm to 11pm): *British posters 1890–1980*.

PARIS

Claude Gellée or **Le Lorrain** (*1600-1682*), *as his name indicates*, was born in Lorraine but spent his creative years in Rome. He was a painter of luminous landscapes and a poet of the sea. He influenced *Turner and Monet* and was admired by Goethe and Keats. His love of nature charmed the English, yet his compatriots failed to appreciate him fully. Thus many of the oils, drawings and engravings in this exhibition, significantly organised on the initiative of the National Gallery of Washington, will be seen for the first time in France. Grand Palais. Closed Tue. Ends May 16 (260 3926)

Claude Monet: Homage is paid to his Giverny period with 45 of his paintings, including the nympheas, at the Centre Culturel du Marais, 28 Rue *des Francs-Bourgeois* (277 3225). Closed Tue. Ends July 17th.

Edouard Manet: An exceptional retrospective marks the 100th anniversary of the artist's death including *Olympia, the Bar at the Folies Bergeres*, Nana and Dejeuner sur l'Herbe. Paintings, which at the time created such a scandal, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and a pioneer of modern art. Grand Palais, April 16 – *August 1, closed Tue*., *Late night* Wed till 10pm (261 5410).

WEST GERMANY

Cologne, Rautenstrauch-Joest Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kestner *Gesellschaft, 16* Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 260 paintings, water colours, gouaches and graphics. Ends May 8.

Cologne, Wallraf-Richartz-Museum, An der Rechtsschule: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries; silverware; and gold and silver jewellery. Ends June 2.

Berlin, Antikenmuseum, 1 Schlosstrasse: Animal Depictions Over Four Thousand Years has more than 250 bronzes, vases and terracotta sculptures of hunting scenes and domesticated animals. The works range from the times of the Egyptian Pharaoes to the end of the Middle Ages. Ends May 5.

Mainz, Mittelrheinisches Landesmuseum, 49 Grosse Bleiche: In honour of the year's 500th anniversary of *Martin Luther's birth, the museum* is showing original drafts, documents, models and photographs recording the conception and realization of a number of public memori*als to the great reformer* in the 19th century. Closes at the end of May.

Düsseldorf, Kunsthalle, 4 Grabbeplatz 7: Contemporary East German art comprising 200 paintings and drawings by 13 *artists allows a* comparison with the artistic scene in the Federal Republic. Ends May 8.

Bielefeld, Kulturhistorisches Museum, 61, Welle: Graphics, Coal drawings and sculptures by *Otto Pankok, the* German artist banned under the Nazi regime. Ends May 23.

Wiesbaden, Kunstverein, 15 Wilhelmstrasse: Austrian and U.S. artists – *among them Peter Ackermann, H.* J. Voth and L. Von Monkiewitsch – highlight ten different aspects of the same topic. Ends May 1.

Cinema/Nigel Andrews

Tootsie pulls it off

Tootsie, directed by Sydney Pollack
Ascendancy, directed by Edward *Bennett*
Ill Fares The Land, directed by Bill Bryden
Barbarossa, directed by Fred Schepisi
Alone in the Dark

Sydney Pollack and Dustin Hoffman in "Tootsie"

"How far can we pull back to make her more attractive?" says TV director Dabney Coleman of soap opera star Dustin Hoffman, beaky and busty in engulfing crimson drag. "How about Cleveland?" replies his cameraman.

Tootsie is a cheerful Hollywood tilt at radical-liberal comedy; throwing *out-of-work* New York actor Dustin Hoffman into the patriarchal corridors of showbiz, where he finds success by changing sexual *plumage* and *giving* the cut-throat male world a *few* knife wounds of his/her own. All this under the protection of a sweet and lipsticked smile, a hydraulic-hipped wiggle and a cast-iron bosom.

Tootsie has been a box-office phenomenon in America. It has captured the liberal and feminist lobbies with its anti-MCP stance and has also lassoed all those simpler souls who haven't enjoyed a good transvestite comedy since *Some Like It Hot*. In the last reels the movie's double standard of slapstick and modish sermonising starts to puff into noisy obtrusiveness. *But earlier, sheer fizz and light*-weight vamping keep it effervescent.

Hoffman is Michael Dorsey, regular reject of audition-hearing Broadway producers, though he seldom goes without a struggle. "We're looking for someone older" they gently explain: "We're looking for someone taller" they insist: finally, "We're looking for someone else!" When his girlfriend Teri Garr fails a soap *opera audition, Dorsey's furious* ingenuity is fired. Eyebrows plucked, lips rouged, bonce bewigged, and flying buttresses in place above and below, he charges in where heteros fear to tread and nabs the plum role of lady administrator in the hospital saga "South-West General." "Dorothy Michaels" is born.

Here and in the merrily monstrous popularity that surges up through America round this *butch soap-op star, the film is* beautifully quick-footed. Hoffman's high-pitched Southern twitter, silicone'd chest buoyancy and tendency to resemble an *haute couture* parrot make the heroine both funnier and more distinctive—*and* more credible—than Curtis and Lemmon, falsettoing in falsies, in *Some Like It Hot*. And director Sydney Pollack steals every scene that Hoffman *doesn't with his own cameo as* the actor's horrified agent. ("Michael—my god," he cries on first seeing "Dorothy," "I *beg* you to get some therapy.")

But Hollywood can't sit still long without the sound of pulsing hearts, and by halftime we're plunged into a romance—understandably unrequited until revelation time—between Hoffman and TV co-star Jessica Lange. This teaches us first that male pushiness doesn't count a jot when it's out of costume and has lost its spurious authority. And secondly that by becoming a woman, albeit briefly, a man *becomes a better, more under*standing man.

The film duly croaks to a treacly and doctrinaire close, betraying the last gasp of the plethora of rewrites the script reportedly went through. (Larry Gelbart and Murray Schisgal get the final screenplay credit, though many came and went before them.) Up until count-down to didacticism, however, *Tootsie* is the brightest new comedy in town.

*

Edward Bennett's *Ascendancy*, financed by the British Film Institute Production Board, is one of those movies where galloping radical content vies with an almost constipated squareness of style. *What* Bennett has to say, about the private and public emotions of a civil-war-torn land (Northern Ireland 1920), is interesting. *How* he says it isn't.

Julie Covington is the black-garbed English Antigone who's lost her brother in World War I and now lives strickenly with shipyard-boss Papa (John Phillips) and numerous servants on the edge of Belfast. Like Niobe she is all tears, but they're inward. Gelid and even severe of face, her shock has communicated itself to her right arm which is paralysed.

Here we sniff symbolism—the *left* arm *is* her active one. And sure and to goodness, Miss Julie is soon identifying with a new war, raging on her very *own* doorstep, between the vicious occupying British capitalists (ie Dad) and the downtrodden Irish, who are smouldering fair to provoke the lash of British rule—and to create the backlash of their own which will be prelude to semi-independent status for Northern Ireland.

The *lash of Bennett's own* anti-imperialism, picked out in caustic dialogue ("Waving flags isn't a tradition, it's just a nasty habit") and the heroine's *boldly blighted* anomie, founders on the doleful rigidity of the *mise-en-scène*. The photography is porridge-textured, the scenes clop coldly from tableau to tableau (is this the latest reductio ad catalepsy of "Brechtianism?") and the characters don't seem people so much as ambulant emblems of political alignment: left, right and circumspect centre.

The film cracks open occasionally to reveal real feelings *and sudden darts of subtle in*sight—Covington spies in sympathetic army friend Ian Charleson "the look soldiers have before a battle they don't believe in"—but these brief *eclats* make the programmatic stiffness of the rest all the more disappointing.

*

Ill Fares The Land suffers from a different British disease: "if - it's - elemental - it's - good - *for - you*" *romanticism*. Bill Bryden, playwright, screen-writer *(The Long Riders)* and National Theatre director, has carted a cast, a crew and a top cameraman (John Coquillon) to remotest Scotland to re-enact the evacuation of St Kilda; a wild, tiny and vulnerable island whose population voluntarily emptied themselves into the mainland in 1930, beset by poverty and disease.

Thus, says Bryden, they destroyed "a way of life which stood unique for centuries." Since fatal influenza and groaning poverty were already decimating the exponents of this unique life-style, St Kilda seems a particularly silly rallying *point to wave a flag* for tribal and environmental conservation.

But the real thistle in the film's side is its failure to persuade us that Fulton McKay, J. G. Devlin and other puckish veterans of the boards are the gnarled and pre-literate natives of this rugged back-of-beyond. Both dialogue and delivery are too artfully rotund or poignant or pointed—too "cultured" in short, like BBC attempts at portraying the peasantry. And the John Ford echoes Bryden aims for in his pictures of wind-swept pioneer pluck, of hillside groupings silhouetted against mackerel skies, miss the vital point that Ford's people were grand by being *un*-grand. Awesome nature was complement to the aw-shucks *shining simplicity of humanity. In Ill Fares The Land* nature is underwhelming, humanity too schooled and knowing.

*

Final flings of the week are two genre films: a Western and a horror movie. Fred Schepisi and Ian Baker, Australian director and cameraman of *The Chant of Jimmie Blacksmith*, hack out fabulous wide-screen images in *Barbarosa*. Giant mountains ribbed and wreathed in dust; shimmer-filtered tones of honey and smoke and silver; trees and bushes like green mirages; all in the South *Western American desert* where two different fugitives from family justice, veteran Willie Nelson and greenhorn Gary Busey, meet up, live, lark, plunder, have shoot-outs, will travel.

But the film's narrative, alas, doesn't travel at all. It marks *time sclerotically like a May*-December version of the buddy-buddy Westerns of yore. "Butch Busey and the Sundance Old Fogey" it might be christened, with Nelson the grizzled old-timer full of piercing wisdom and Busey the young dog learning new anarchy. The film's story is mapless, compassless and mostly pointless. But the scenery is sensational.

*

In *Alone In The Dark* Jack Palance and Martin Landau escape from a lunatic asylum and terrorise a country-dwelling family. Noble-conked, glittering-eyed asylum chief Donald Pleasence (looking oddly like *Tootsie's* Dorothy Michaels in reverse drag) hares after them to minimise the damage. There are knives, nose-bleeds, terror at night and crisply competent suspense.

Frogs/Odyssey, Los Angeles

B. A. Young

The cancellation of the Shevelove-Sondheim *Frogs* at the Bloomsbury Theatre saves it from the embarrassment of claiming to be the first professional production. I saw it professionally done earlier this *month at the Odyssey Theatre* in Los Angeles, though it is true, this was only an "Equity-waiver" production, a Californian speciality in which actors are allowed to play at less than Equity rates in theatres of fewer than 100 seats.

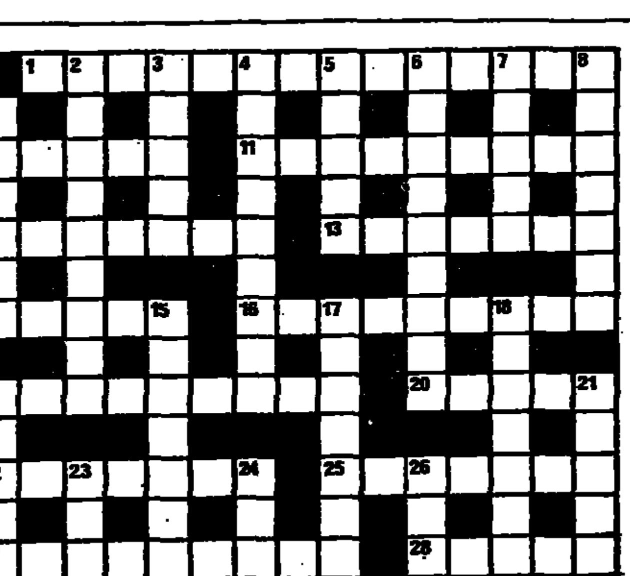
The play is an imitation of Aristophane's satire in which Dionysos descends into Hades to bring back Aeschylus or Euripides to make up for a current shortage of good dramatists. In Burt Shevelove's version, it is Shakespeare or *Shaw he is after, and they are* set to compete for the privilege by speaking their best lines.

Frogs was first done in a swimming-pool at Yale, and it needs water for Dionysos's trip over the Styx, in which he is assailed by the chorus of croaking frogs, who believe their song as fine as any. For this production, Donald Cate designed a set with a stream bisecting the stage, which was pretty and useful but did something to the acoustics, so that for the first half of the evening the words were very hard to catch. *After an interval*, the stream was bridged and the sound much improved.

Garret Pearson as Dionysos and Gary Guidinger as his slave Xanthias have most of the action, and they played enter-tainingly enough. There was a hint of farce in Mark Rhudy's Herakles, a monstrously fat young man. Harry Frazier's Bernard Shaw had put on weight since his death *in* 1950, but the sound was recognisable. Sam Anderson's Shakespeare had a touch of Gielgud in the *looks, but only wishfully in the* voice.

Ron Sossi's direction was lively enough; but Shevelove's choice of quotations was hardly enough to keep us in a roar. Sondheim's music is strangely unmemorable, and not much of it.

F.T. CROSSWORD PUZZLE No. 5,159



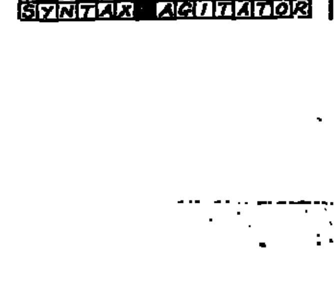
ACROSS

1 Chips expected to make a scene? (5-9)
10 Song of worker in firm embrace (5)
11 Artist in reading between the lines, met aid (4-5)
12 High pitch workers? (7)
13 Put in strong petition for net rate revision (7)
14 Fair descendant of Galatea? (5)
16 Celestial studies to try as moon changes (9)
19 Useful material for hanging-lobby? (9)
20 Oval's produced many such shots (5)
22 What outstanding art work! (7)
25 Two-seater wedding-vehicle proposed by straitened *suitor*? (7)
27 Thank Sara excitedly for the lamb-skin (9)
28 Get firmly attached to horse, spotted? . . . (5)
29 . . . they were *sometimes* spotted over the shoulders of vagrants (14)

DOWN

2 Like Figaro, taking on so in severe test (9)
3 Theatre-in-the-round? (5)
4 Eccentric, barely honest, watch *how he* deals! (4-5)
5 Bring up the matter of salary increment (5)
6 Mistakenly go to Leeds for chisels and things (4-5)
7 Respite from cruet-shaking (5)
8 Critical time for flying-shuttle? (2-5)
9 Rare science, race-evolution (6)
15 Could it raise fruit for making cider or brandy? (5-4)
17 Wood-spirit serving thin beer after time (9)
18 Having no outdoor facility, just leg-side freedom? (2-7)
19 Brave way of entering the lists? (7)
21 Number one fairy from Borneo (6)
23 Left a can of tongue (5)
24 Country of origin of ivory-carrier? (5)
26 Thicket — common police point (5)

Solution to Puzzle No. 5,158



FINANCIAL TIMES

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Friday April 29 1983

U.S. policy in El Salvador

It is easy to support, as the British government did yesterday, the *long-term goals* of American policy towards central America enunciated by President Reagan on Wednesday night: democracy, reform, freedom, economic development. It is not so easy to be confident that, in practice, American policy in the region is best adapted to achieving these goals. On the contrary, it is legimate to fear that some elements of this policy could prove counter-productive.

The U.S. administration can reasonably be concerned at the civil war in progress in El Salvador, as well as by the deliberate attempts of the Left-wing Sandinista Government of neighbouring Nicaragua to help foment that civil war. But it must be hyperbole to say, as President Reagan says: "The national security of all the Americas is at stake in Central America."

The national security of all the Americas might be at stake if a group of central American states were taken over by Left-wing revolutionary regimes, and if moreover they were to become active allies of the Soviet Union. A group of revolutionary regimes *might well pose* a threat to Mexico, which suffers from serious economic difficulties and potential social unrest; alliances with the Soviet Union might resuscitate the spectre of a re-run of the Cuban missile crisis. But that extreme position has not been reached, and there is no immediate prospect that it will be reached.

Instability

No doubt Nicaragua is seeking all the help it can get from Cuba and other east bloc countries; no doubt the East bloc advisers in Nicaragua are far more numerous than their American counterparts in El Salvador. But even President Reagan admitted that the Nicaraguan government may be having second thoughts about accepting the deployment of Soviet missiles. The Soviet Union and its allies are no doubt doing all they can to churn up instability on America's door-step; but the fundamental causes of this instability do not come from outside interference so much as from long-standing domestic problems of poverty, endemic violence and political instability.

The key question is whether the U.S., faced with this violence and instability, is in any position to improve the situation, or whether it runs the risk of making matters worse. On the face of it, it is entirely legitimate for Washington to answer a call for help from the El Salvador government in its civil war against the left-wing rebels; but it is less clear that *El Salvador has* the *kind of* regime with which the U.S. ought to be associated, or is likely to usher in an era of democracy and stability.

There has been progress in land reform, and elections are promised for the end of this year. But there are still horrific problems of human rights, with unlawful assassinations reportedly running at over 300 a month. One should not doubt Washington's sincere desire to promote reform; the risk it runs is that its help will fail to contain the civil war, that its influence will fail to bring about the reforms necessary for stability, and that its reputation will be seriously tainted in the process.

Destabilising

Much murkier is the question of American policy towards Nicaragua. *Ostensibly*, its aim is to prevent Nicaraguan arms and assistance from reaching the rebels in El Salvador. But despite President Reagan's denials on Wednesday night, *some of his Congressional* critics openly suspect that the administration's policy of aiding the Nicaraguan counter-revolutionary forces based in Honduras, is aimed at destabilising the Sandinista Government in Managua. The real problem with this policy is that it may push the Nicaraguan Government further into the Soviet camp.

For the moment there appears to be no danger of the U.S. getting sucked into *another* Vietnam-type war; but there are queasy echoes of the domino theory of that era, which tempt the Reagan administration to see the conflicts of central America too readily as part of the global East-West confrontation. By its overbearing size and its past history the U.S. may be ill-placed, on its own, to bring about an unaccustomed stability to the region.

Negotiation

The most encouraging element in President Reagan's speech was the emphasis he placed on negotiation, both between and within the countries of the region. This seems a *step* towards the line advocated by neighbouring countries such as Mexico and Venezuela, which ought to be better placed to measure the real threat to national security posed by the civil wars in central America. No-one should expect or ask the U.S. to wash its hands of the problem; but perhaps its best contribution would be to give the maximum support to the efforts of the regional powers.

Management in the civil service

One of the least newsworthy but most important aspects of the Thatcher Government's life has been its difficult and protracted attempt to introduce some modern management and accounting technique into the civil service.

The administrative machinery behind the government has grown more unwieldly and less obviously accountable over the years, propelled by successive Governments eager to get longer and increasingly complex Bills onto the statute books more and more quickly. There has also been a good deal of endemic growth of the Topsy variety, resulting in a civil service of 732,000 when the present Government took office

Its cost now exceeds £14bn a year.

Since 1979 the various Government departments have cut manpower, which accounts for 70 per cent of civil service costs, by 80,000 and are on line for the target of 630,000 by next April, the lowest figure since the war.

Efficiency

But cutting manpower is only one side of the search for better efficiency and effectiveness within the civil service. As an isolated policy it can lead to worse rather than better performance.

The unreserved acceptance by the Government, therefore, of all the recommendations of a report on running costs by the Management and Personnel Office is both important and welcome.

For too long the bureaucracy's costs have been viewed simply within the constraints of the sacred cows of cash limits, with no attempt to analyse who is responsible for which aspects of expenditure and with what results in terms of either value for money or effective implementation of policy.

Mr Michael Heseltine was the first Cabinet Minister to tackle this problem head-on (followed belatedly by Mr Patrick Jenkin). His discovery that nobody within his huge organisation had a clear idea who was responsible for achieving what or why or at what cost led him to introduce a management information system enabling rational decisions on manpower cuts and policy priorities to be made

Resistance to this idea has been formidable among ministers and permanent secretaries in spite of the insistence of the Prime Minister and Lord Rayner, her personal adviser on such topics, that such changes were vital.

The financial management initiative, which will force departments to show how they intend to manage, account for and justify their allocations of public resources, has been anything but warmly received in the higher echelons of the service.

The MPO recommendations are therefore something of a leap forward in the Government's terms. The entire civil service will be broken down within departments into management blocks with line managers and cost centres. *Line* managers will be responsible for monitoring their own costs and performance and all departments will have formal teams, chaired by the Permanent Secretary, to undertake strategic planning and resource allocation.

Responsibility

While the importance of the new moves should not be underestimated, there are some influential senior civil servants who remain unenthusiastic about the changes. They include key elements in the Treasury, whose contribution to the programme could be crucial. Officials in that powerful department, traditionally preoccupied with policy issues, have to be convinced, at all levels, that ensuring the best possible use of £14bn of public money is an integral, albeit unglamorous, part of their responsibility.

THE U.S. AND CENTRAL AMERICA

Reagan plays for high stakes

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan *has placed* a big *new stack* of poker chips on the map of Central America, in the full knowledge that he risks losing them all, and against the advice of some of his advisers.

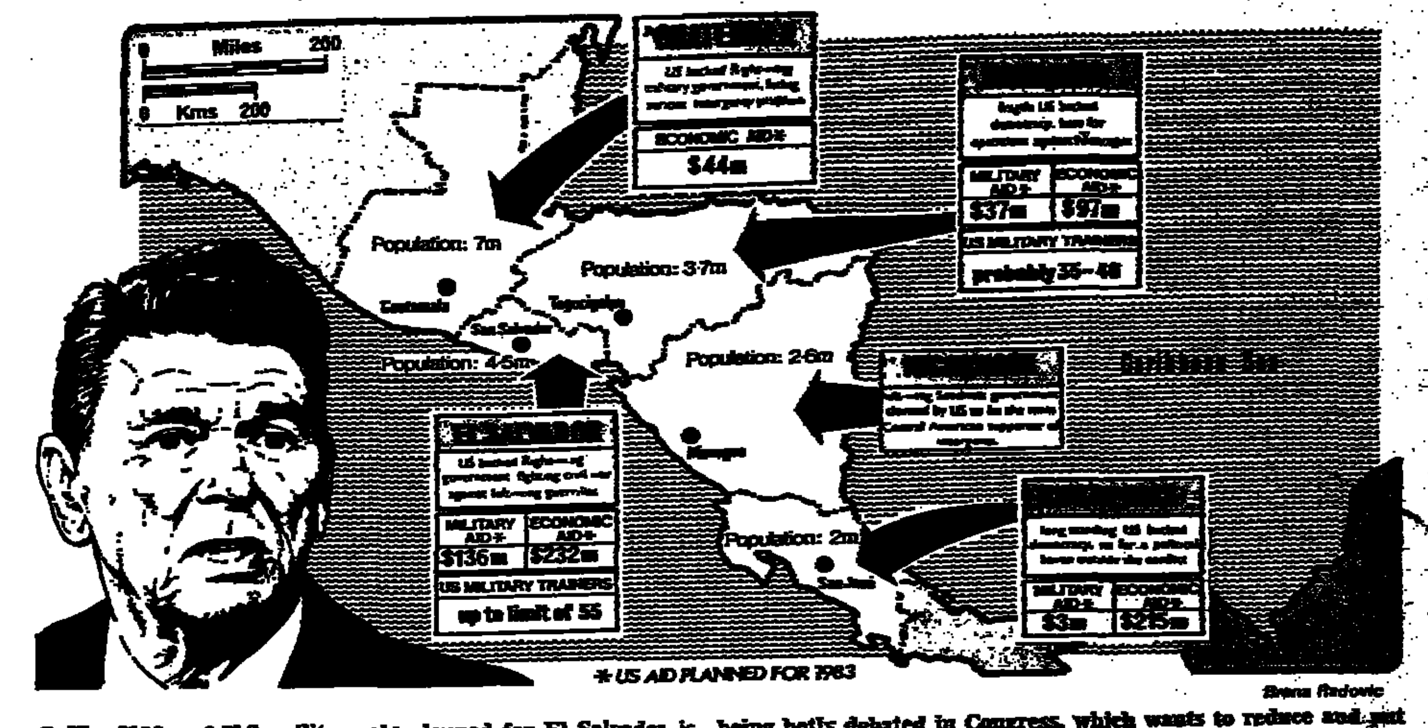
He has now committed maximum personal prestige to the resolution of what may well prove an insoluble problem. At the same time he has escalated its political importance.

In deciding to address a joint session of both Houses of Congress on Wednesday night, Mr Reagan had two main purposes—to alert the still largely indifferent American public to what he honestly believes to be a crisis of global proportions, and to try to make sure that Congress, and particularly the Democrats are held to blame if he is not given enough backing to contain the swelling tide of rebellion in the area in his own way.

Mr Reagan chose the extraordinary format of a joint session, traditionally reserved for momentous announcements, to drum home the seriousness of the threat to the national security of the U.S.—and indeed of the entire continent—that he believes to be posed by Nicaragua's self-proclaimed "revolution without frontiers," backed massively by the Soviet Union, Cuba and other Soviet surrogates.

Mr Reagan was telling wavering Congressmen that they must take the hard decision to stand up and be counted in the name of patriotism and democracy or face the wrath of the voters if Central America goes Communist from the Panama Canal to the Mexican-U.S. border—and the stability of the U.S. itself is threatened by a vast influx of new Hispanic immigrants and refugees—as a result of American spinelessness.

Mr Reagan's whole strategy is in deep trouble in Congress. He could still, just conceivably, ultimately succeed in securing something approaching the $110m in urgent new military aid that he wants to prop up the increasingly desperate right-wing government of El Salvador. But more and more strings are being attached to it, and there is a mounting congressional outcry against the Central Intelligence Agency's well-publicised "covert" support for the several thousand right-wing guerrillas fighting the Sandinista government of Nicaragua with the aid of American weapons and instructors.



● The $136m of U.S. military aid planned for El Salvador is being hotly debated in Congress, which wants to reduce and put conditions on the assistance. ● Apart from military trainers, there are an unknown number of Central Intelligence Agency personnel in Central America. ● According to the U.S. State Department, the Soviet Union gave Nicaragua $125m of military equipment and supplies between 1979 and 1982 alone, with other aid coming from allies such as Cuba. It says there are 2,000 Cuban personnel in Nicaragua on "security missions" as well as 50 Russians, 35 East Germans and 50 Libyans and Palestine Liberation Organisation representatives.

In an attempt to disarm his opponents, he has thrown a number of sops to those moderates who are uneasy about the Administration's policy, but might be persuaded to go along with it subject to certain assurances. He firmly repeated his insistence that covert operations against Nicaragua will not break U.S. law, that U.S. combat trops *will not* be sent to El Salvador (this received one of the longest and loudest *standing* ovations of the evening from Democrats and Republicans alike), that an as-yet unnamed special presidential envoy will be appointed to promote the peace process through negotiation and free elections and that he regards economic assistance as important as military aid—which is to be used simply to provide a "shield" to allow democracy to "take root."

The tone of his speech was both tough and conciliatory. In emphasising negotiations rather than outright military victory, and deliberately toning down his references to the Soviet Union, Mr Reagan was attempting to appear in the guise of a champion of democracy in the Americas rather than a hawk of Dr Strangelove proportions—in a bid both to reassure public opinion and secure the bi-partisan suport he is urgently seeking from Congress.

The White House has long resented the tendency of Congress to chastise the failings of the El Salvador Government, while paying scant attention to the iniquities of Nicaragua. So, it was with genuine satisfaction that he won his longest, Republican-orchestrated, standing ovation with the words "it is the ultimate in hypocrisy for the unelected Nicaraguan Government to charge that we seek their overthrow when they are doing everything they can to bring down the elected government of El Salvador."

He is not, however, going to convince leading opponents like Senator Christopher Dodd, of Maryland, who gave the official reply for the Democratic Party. Senator Dodd accepts that the Democrats' ultimate objectives are identical to Mr Reagan's—to halt Communist expansionism and secure democracy in Central America. He argues, however, that Mr Reagan is going about it in a disastrously wrong way.

The Reagan Administration has learnt nothing from Vietnam, he said. It has misunderstood the social and economic causes of ferment in the region, has allied itself with the forces of repression and treated the problem as essentially a military one that can be solved by throwing dollars at it, he says. American aid money flows out of El Salvador almost faster than it flows in—into Swiss bank accounts and Wall Street investments, he says. In sum, Mr Reagan's approach is "a formula for failure."

But while the Democrats are strong on criticism of the Reagan approach, they are short on convincing alternatives. Mr Dodd's prescription of an immediate ceasefire in El Salvador and Nicaragua, unconditional negotiations with the El Salvador guerrillas and U.S. "help for governments who help their own people" sounds more like wishful thinking than a formula for ending a vicious and hate-filled civil war that both sides intend to fight to the death.

In Washington, Democratic tactics seem rather to spin out the issue as a continuing political headache *for* Mr Reagan, by giving him little bits of rope at a time, so as to ensure that it is still around as a major theme for the 1984 election campaign.

Mr Reagan, in any case, has *few* options. Total withdrawal from the area was already out *of the question long* before his Wednesday speech. A major, Vietnam-style stepping up of the conflict, involving U.S. combat troops, is equally politically impossible.

What Mr Reagan is most likely to do—indeed probably the only thing he can do—is to pursue his policy of muddling through with what he regards as insufficient funds, try to render the tottering El Salvador government as politically respectable as possible through manifestations of democracy like December's planned elections and hope against hope that it does not fall.

Five years, 100,000 dead, one million refugees

By Hugh O'Shaughnessy, recently in Central America

THE CONGREGATION in the gaunt, unfinished concrete cathedral in San Salvador broke into applause on Sunday when Mgr Arturo Rivera Damas, the Archbishop, said in his sermon. "There is no way forward for this country except a peaceful way. Violence will get us nowhere."

The Archbishop was preaching only a few yards away from the tomb of his predecessor, killed by an assassin's bullet three years ago. The longing for peace among the assembled Salvadoreans was almost tangible.

The future stability of El Salvador and the rest of central America depends on the successful establishment of regimes which can command majority support. In much of the isthmus there is still a very long way to go—after five years which have already claimed 100,000 lives and created over 1m refugees.

In Nicaragua the activities of the right-wing guerrillas—supported by the U.S. and organised around the remnants of the national guard of former President Somoza, appear so far only to have consolidated popular support for the Sandinista Government.

There is some disappointment in the country that the Sandinistas have not moved more quickly towards a Western-style pluralist government. But visits to Managua and the countryside last week provide little evidence that the revolution, launched so optimistically in 1979, is turning sour.

Ironically, U.S. sponsorship of the guerrillas has helped the Sandinistas to capitalise on the deep feelings of nationalism in the country.

The Sandinistas are still regarded by the majority of Nicaraguans as an incomparably better government than the Somoza regime. Nor can there be any doubt that most Nicaraguans are prepared to defend a government which they still see as legitimate, well-intentioned and effective.

No such popular support can be claimed by the Government of President Alvaro Magana in neighbouring El Salvador which is facing an increasingly serious challenge from Left-wing guerrillas. Many Salvadoreans are indeed distrustful of the bitter sectarianism of some of the Left-wing guerrilla groups which was demonstrated earlier this month in the mysterious death of two guerillas in Managua as part of a deep sectarian feud. But the conduct of the Salvadorean Government and armed forces in indiscriminately assassinating tens of thousands of real or imagined opponents has alienated the Salvadorean population at large

New elections, scheduled to be held in December, are unlikely to bolster the credibility of the government. They will be boycotted by the left, which argues that the climate of violence, intimidation and disorganisation, is such as to render them valueless.

In neighbouring Guatemala the U.S.-backed government of General Efrain Rios Montt which seized power on March 23 last year, is pledged to instal a parliamentary democracy. But it has a record of violence similar to that of the Salvadorean government and with a strong challenge from left-wing guerrillas, it is difficult to see how the regime can ever hope to put its pledges into practice.

The Guatemalan Government, and some Right-wing leaders in El Salvador, are increasingly bitter about what they see as illegitimate meddling in their affairs by a U.S. administration which wants them to defeat the left but which stops short of giving them the money, weapons and moral support which would enable them to eliminate their opponents

In Honduras the civilian government is overshadowed by a military hierarchy which collaborates closely with Washington's actions against the Nicaraguan Government and gives the anti-Sandanistas bases for their raids across the border. The Honduran authorities however, face an increasing challenge from a newly formed but so far very small Left-wing guerrilla group.

If the countries of the region, many of whom have already suffered loss of life and damage comparable to that undergone by some European countries in the Second World War, can work out a regional peace strategy at this late stage there could be some glimmer of hope for recovery. If they cannot there will be no alternative to a full-scale regional conflict.

Men & Matters

Actor mandarin

There is clearly an actor Manque in the make-up of Sir Peter Carey, aged 60, that arch industrial mandarin who retires today from the permanent secretaryship of the Department of Industry where he has been in the top echelon for the last ten years. He will be succeeded by Sir Brian Hayes, permanent secretary at Agriculture.

Carey has told his staff at a farewell party in the department that he would like to play the role of Sir Humphrey Appleby, the smooth "perm. sec." of the BBC's Yes Minister series. "I wouldn't let the minister get away with so much."

He thinks some of the plots have been based on real-life events in his department. Others think that the Sir Humphrey character was, in fact, modelled on Carey.

The *real-life* drama is what Carey will do next. The betting is he will take on at least one senior part-time City job and perhaps an active non-executive chairmanship of an industrial company. He is not likely to be short of contacts—270 businessmen have attended his three farewell parties over the last ten days.

He has at least one prospective job being vetted at present by the government's Diamond Committee which oversees all Civil Service outside appointments.

During World War Two Carey was on Sir Fitzroy Maclean's staff in Yugoslavia making contact with the Tito forces.

His first Civil Service job was actually in that country—as an assistant press secretary in the British Embassy in Belgrade in 1945.

There he played a small but significant role in toning-down the impact of an anti-Tito and pro-Catholic report of Evelyn Waugh, then an Army captain—and thus helped avoid an upset in British foreign policy.

Even at 22 there was a touch of Sir Humphrey Appleby about *him*.

"Take my *tip*—never wear your CND badge at work."

Fair game

The City of London has a long memory. There was an attempted sharp practice back in 1569. The ancient malpractice has now been raised again by the City Corporation—which is clearly fearful that human nature has not changed with the passing years.

The original central figure was a Doctor Thomas Wilson, a layman lawyer and master of the Royal Foundation of St Katherine's next to the Tower of London. In his day he sold Royal Charter privileges in the area including the right to hold a fair for 21 days from July 25 each year to celebrate the Feast of St James.

The contentious nature of the matter was that the rights were not those of the good doctor to sell.

Local inhabitants went to Queen Elizabeth to protect their privileges. Wilson was forced to agree that the corporation should hold the fair rights.

Only a little more than 400 years later St-Katharine-by-the-Tower Ltd, backed by constructors Taylor Woodrow, has turned the once-derelict area into a tourist attraction with a yacht marina, an *hotel*, restaurants, and a museum of working boats. The company would also like to have the rights for the ancient fair as it wants to hold its own "Fayre" (they have a quaint way of spelling down at the docks).

The City of London is showing no wish to resurrect a 400-year old argument. It is trying to shift all responsibility to the modern Borough of Tower Hamlets which was not even a twinkle in the eye when the fair rights were last discussed.

Irish spies

In Dublin there is much interest in the new book by The Times' Middle East correspondent and former Ulster staffer, Bob Fisk.

Telling the story of Irish policy during the years of the second World War the book sheds a lot of new light upon a murky period in Irish politics and diplomacy. While the rest of the world usually refers to World War Two the Irish are still inclined to speak of it tactfully as The Emergency.

The ambiguities of that time have been well illustrated by the people at the Dublin launch. As well as a sprinkling of former Irish army and intelligence officers it was attended by the novelist Francis Stuart, who spent the war years in Berlin, and Gunther Schultz, late of the Abwehr, who parachuted into Ireland on an unsuccessful spying mission, and who is now quietly settled where he landed as a country gent and horse breeder.

The book is published in Ireland by Brandon in association with Andre Deutsche.

There is expected to be even greater interest in one of Brandon's forthcoming publications. Rumour *has* it that it will be called British Intelligence and Covert Action, and will contain a list of British agents currently active in Ireland.

That, says my man in Dublin, will be a sure way to ruin some *Dublin hostesses' invitation* lists.

That's showbiz

The nuclear debate is high on the list of issues that British politicians are nerving themselves to deal with on platforms and doorsteps in the next general election. But are they right in assuming that the voters are talking about little *else*?

The American network CBS-TV televised a trans-Atlantic debate last weekend on the deployment of U.S. missiles in Europe. Now that the viewing figures are in (and taking into consideration that the BBC put out the whole show in Britain, while excerpts were also shown in West Germany) the verdict is that it was a "flop-a-roo," as Variety the show business paper might say.

Only 4 per cent of American homes with a TV set watched the show. It was the least-watched prime time show in the U.S. for the whole of last week.

That was in spite of a star-studded cast. Participants in the debate included Michael Heseltine, Britain's defence minister, Egon Bahr, the West German Opposition leaders Henry Kissinger, the former U.S. secretary of state, and Paul C. Warnke, the former U.S. arms control negotiator.

Politicians should note that the *highest rated show on* American TV last week, with an audience of nearly 28 per cent, was the soap opera Dynasty.

Observer

POLITICS TODAY

The parties get ready to go

By Malcolm Rutherford

THREE THINGS happened in the last few days which demonstrated in their different ways that all the parties are now more or less ready for a General Election in June.

Mr David Steel, the leader of the Liberal Party and now leader of the Alliance as well, gave a masterly performance on television. Mr Brian Walden interviewed him for almost an hour on ITV's Weekend World —the *length itself a tribute to* Mr Steel's stature or perhaps negotiating powers—and Mr Steel never put a foot wrong.

The Shadow Cabinet appeared almost *en bloc* at a Press conference to present a book of essays* on Britain's future, all of which had been written in the last few months—a remarkable feat of publishing by conventional standards.

And Mrs Thatcher and a small group of colleagues successfully got through the second draft of the Tory Manifesto without having to throw too much into the waste-paper basket.

There is a view in the Conservative Central Office that Mr Steel is not as nice as he looks. He is not pleasant, it is said, not clever, but intensely ambitious and utterly devious. Rather like Mr Jeremy Thorpe, he will be shown in the end to have feet of clay. If this view prevails, the Conservatives will spend a large part of the election campaign attacking him personally.

Better beware. Of Mr Steel's ambitions there can be no doubt whatsoever. How else could he have spent such a long time climbing up and up the greasy pole? It is also true that he has no ministerial experience. That is why Mr Roy Jenkins remains the Alliance's Prime-Minister-designate, and could still be an asset.

But Mr Steel has qualities rare in British politicians. He has always been spectacularly good on television. He looks honest. And he has themes, such as an end to confrontation, *which seem attractive. He has* also matured; the image of "the boy David," he said the other day, could now be taken as a compliment. The Tories would be well advised to leave him alone. Personal attacks on him could easily backfire.

As it is, the Conservatives remain almost obsessed with the Alliance. It is the Alliance performance which, apart from their own, they will be watching most closely in the local elections next week. But, as some of them admit, it is almost too late to go back. If Central Office discovers that its local organisations are not as efficient as was thought, there will not be much time to do anything about it. Such is the election fever that not to go in June has begun to look like funking it.

As for the Labour Party, it has come to seem through Tory *eyes almost as if* it has ceased to exist as a serious threat.

The Labour Party does its best to provide its own evidence. Mr Gerald Kaufman, the Shadow Minister for the Environment, told the press conference on Tuesday that never before had an entire Shadow Cabinet come together to write a book of essays. A literary and political event of some magnitude, one would have thought. Yet one could not help being struck by the lack of reaction. Mr Denis Healey and Mr Peter Shore were absent on other business, but even then the Shadow Ministers and their advisers must have outnumbered the journalists present.

Mr Kaufman, who edited the book, said that it was an attempt to show what socialism was about towards the end of the 20th century. To which the only response can be that it sounds remarkably like socialism in the 1960s.

It is true that Mr Michael Foot retains his talents for invective; he accuses Thatcherism of a "cold, blind, unrelenting callousness about what is happening to our people and what could happen to our world." And Mr Healey is too intelligent to write badly about the international scene. Some of his essay could have graced the pages of Foreign Affairs, and some of it *has* done. He also hangs out against unilateral disarmament: "It is no good giving up the role of world policeman to assume that of world parson."

There is *an outstandingly* good essay, too, on the trade unions by Mr Eric Varley, whom Mr Foot tried to demote. On economic policy, he writes: "The only question is: where the boundary should be set in particular cases between state *intervention and the market?* These issues have to be decided one by one on the merits of the case."

Nothing wrong with that. But for the rest this is a book of solid Labour reaction, as if nothing had changed over the years. No doubt that explains its failure to generate much excitement. It is inconceivable that a collection of essays by *Tory shadow Ministers in 1978* could have fallen so flat.

That is not to say, however, that the Labour Party is without its own kind of efficiency. Indeed there is a good deal of evidence that it has been working quite hard and it could produce its manifesto very quickly. It does its homework, but the trouble is that it is the same old homework. It has been said before, but is now true, that the Labour Party has become the conservative party.

Mrs Thatcher, meanwhile, has been working quite hard as well. The second draft of the Tory Manifesto went through last Sunday; the third—and near final?—may be approved this weekend. The bulk of the work is being done by the Prime Minister herself, Sir Geoffrey Howe, the Chancellor of the Exchequer, Mr Cecil Parkinson, the party chairman, with input from various departmental ministers and a lot of editorial assistance from Mr Ferdinand Mount, Mrs Thatcher's adviser.

There are still gaps, of course. No final decision is said yet to have been taken on what the Tories will promise on the further reform of the law relating to industrial relations.

There is also a curious lacuna about the title. "The Resolute Approach," which seemed to have such a resonance at last year's party conference, has not yet been accepted. It might be something simpler like "The Next Steps" or—rather bolder —"The Next Five Years" or even just "The Conservative Manifesto."

The theme of the "next steps" seems at any rate to have caught on. Considerable attention is being given to compiling a list of what the Government sees as its achievements so far and how it intends to build on them. "Ownership" is likely to figure quite strongly—not just of houses, but also of shares. The Chancellor believes that not enough people recognise how much he has *done to extend* the latter in successive Budgets. Further privatisation will be prominent too

Gaps apart, the general view in Central Office is that all will be easily in place in time for a June election, should the *Prime Minister* give the word. But will she? The line from Mrs Thatcher downwards is that she has still not finally made up her mind. Yet all one can say to that is that it has become increasingly hard to find many doubters.

Mr Parkinson's single reservation seems to be that if she decides against June, she should say so soon and then go for March next year. After the excitement that has been built up, there is no point in postponing simply to October.

It may be worth noting for the record that of the last 10 general elections, four have been held in October, two in February, one in March and one in early May. Only two, in 1955 and 1970, have taken place in late May or June and there have been no recent cases of elections between July and September.

On the basis of those figures, the theory that October is the natural month for elections, rather as the leaves fall from the tree, barely stands up. In any case, each election has its own circumstances. This time the tide is flowing for June and will have to be stopped very soon if it is not going to become irreversible.

There may be some travel difficulties. It seems inconceivable that Mrs Thatcher would withdraw from the economic summit meeting at Williamsburg at the end of next month because an election campaign was under way. For a start it would be an immensely parochial thing to do and the Prime Minister is not averse to treading the world stage. Besides, she will be seen just as much on television from Williamsburg as she would be at home.

The meeting of the European Council in Stuttgart on June 6-7 is another matter. One very British view is that the electorate couldn't care two hoots about what happens in such an unfamiliar place and the Prime Minister believes that there are already too many European summits. Mr Francis Pym, the Foreign Secretary, could represent her. So could Sir Geoffrey. *There may be a little rivalry* between the two men these days.

Yet there are important issues of policy at stake. The Council may reach a conclusion on the interminable saga of the British contribution to the Community budget. On the other hand, it might choose not to pay back quite as much as Britain would like.

It is a very open question how Mrs Thatcher would play that during an election campaign. There is no longer the slightest shadow of doubt about her commitment to staying in the Community. But she has never been above (or beneath?) having a stand-up fight where she thinks that British interests are concerned. Nor is she above having another go at the Foreign Office for being too conciliatory.

As a matter of fact, the Foreign Office has become so chastened by recent events that, on the matter of the budgetary contribution, its officials almost out-Thatcher the Prime Minister. They want back "our money." But that is not yet the general perception.

The chances of Britain offering to settle the business once and for all by agreeing to pay a little bit over the odds for the wider benefits of membership are remote. A pity, I think.

Mr Steel: "the boy David" matures.

* *Renewal: Labour's Britain in the 1980s. A Penguin Special. £2.50.*

Lombard

The World Bank in the wings

By Nicholas Colchester

THE WORLD BANK has so far played rather a modest role in the great initiative launched *last summer to save the* international banking system. The IMF suddenly became the central actor in the rescue effort and its funds were boosted in a manner which would have been unthinkable only six months earlier.

There was no equivalent call to arms for the World Bank. Its capital was not reinforced and the business of raising money for its soft loan arm IDA —whose loans are a form of multilateral aid—remained as demoralising as ever. None of the rescue packages put together for heavily indebted countries stressed that the World Bank would be involved alongside the IMF in the debtor's economic management.

In the heat of the moment this imbalance between the roles of the two sister institutions was understandable. When a cash crunch occurs it is to the bank manager that the overburdened borrower first turns, rather than to a source of long term development capital. The bank manager's policy prescription, along with his money, is the one most immediately needed. The books need to be scrutinised and cash outflows brought under strict control. Only later can a plan to restore viability be evolved.

A number of grandiose and ingenious refinancing schemes designed to replace the bank lending excesses of the 1970s with other supposedly more manageable forms of finance have since died dusty deaths on the shelves of officialdom. But the limitations of the first aid are meanwhile beginning to show: there is, for example, mounting disagreement whether banks in the interbank market should be jawboned into sustaining their deposits with banks in heavily indebted countries.

The *IMF's prescriptions of* austerity are necessary but not sufficient conditions to restore long term worth to many existing sovereign bank loans. Austerity programmes have a worrying cumulative impact. A country whose existing debts require half its exports to service them will never achieve a sustainable position by thrift alone: ultimately it must boost exports, or wait for the next wave of inflation, to make those debts manageable.

Finance ministers from all over the world are now meeting in Washington at the Development Committee of the IMF and World Bank. It is surely the moment for them to lay rather more emphasis on the World Bank and the contribution it can make to this problem.

There are various strands in the case for a greater IBRD involvement:

- The World Bank can complement the restraining macro-economic influence of the IMF with rather more positive micro-economic suggestions as to how scarce investment funds should be deployed and a country's export earning capacity improved.
- The World Bank provides exactly the sort of financing that many of the ill-fated refinancing schemes sought to provide. Unlike the IMF, which borrows from Governments, the World Bank borrows the vast majority of its funds from the international bond markets. Non-bank finance at low and relatively stable interest rates, coupled with expertise rather than lent blind, is precisely what should have been flowing to the developing world all along.
- The World Bank is in a good position to promote the other sort of finance vitally needed by *the developing world—private* direct investment. The Bank has an agency, the IFC, which invests in the private sector, and it can use its influence to preserve the sort of conditions that private investment requires. Governments will probably be more responsive to such suggestions now that the soft touch of bank finance is less readily available.

The World Bank has already announced a "special action programme" and a new co-financing scheme in response to the debt problem, but its officials say they are straining at the leash to do more. Ministers in Washington should see to it that the Bank has the capital (which essentially means Government backing rather than money) to play a larger role, and that the emphasis in future rescues is placed more equally on Fund *AND* Bank.

Letters to the Editor

Local authority borrowing lower than forecast

From Mr T. Travers

Sir, — Publication of recent central government and public sector borrowing requirement figures have led to the suggestion (especially by the Prime Minister in Question Time on April 21) that local government borrowing has suddenly become a problem.

This is simply not so. Any increase in council borrowing towards the end of 1982-83 was because of central government demands for higher local authority capital spending made at the end of 1982.

The increase in local authority borrowing from central government has taken place because the Government has altered the terms for councils borrowing from the Public Works Loan Board (which gets its resources from central government), making it more attractive to raise money from the PWLB than from the money markets. This gives the Government greater control over public sector borrowing, and reduces borrowing from the market by councils.

The local authority borrowing requirement for 1982-83 was £300m below the level originally forecast by the Treasury. In March 1982 LABR was forecast to be £600m. The outturn was £300m. In contrast, central government's own account borrowing (ie, excluding local government on-borrowing) was forecast to be £5.4bn, compared with an outturn of £7.2bn.

Local authority borrowing and other transactions helped hold down the planned PSBR for 1982-83.

Tony Travers.
7, Furnival Mansions,
Wells Street, W1.

Monopolies and merger policy

From Mr J. Pretty

Sir,—The letter from Mr Dennis, chairman of BAT Stores (April 22) refutes my claim (April 19) that BAT's entry into food retailing will in due course limit the public's choice. I will not argue as to the effect so far because I was talking of the long term.

Yes, any business must satisfy the customer to survive and in the case of a public company to *meet its prime duty of making* profits for its shareholders. But the customer can be fickle. In the 1960s breweries invested millions of pounds to satisfy the public's thirst for keg beer. Of those who did not, a few survived, largely because of the oft-threatened tied *house* system, and were able to meet the demand for traditional beer when it revived in the 1970s. Similarly big bakers invested millions of pounds to satisfy the hunger for wrapped, sliced bread. Many small bakers closed but because *that industry* had been so much more fragmented than brewing, enough survived to supply crusty bread when the customer changed his mind. And in that case, because the capital needed to set up a hot bread shop was small, *new entrants were able to enter* the field.

So Mr Dennis might argue that because capital needs are small, independent grocers would grow in numbers again if ever enough customers want them. Agreed, but my argument is that in industries such as food manufacturing and engineering, which have large capital requirements, once companies have disappeared there is much less chance of revival of new entrants. Hence customer choice is endangered if engineering conglomerates get too dominant or food retailing becomes concentrated into so few hands that food manufacturers are squeezed too hard.

None of this reflects badly on managements who take advantage of the rules of the game to maximise profits for their shareholders by acquisition. *That is their job*, as it was the job of predators in the early 1970s to achieve their aims by indulging in so much warehousing and in so many concert parties that one wondered whether Snape Maltings might not have been a more appropriate venue than the City! Those rules have since been modified by the Takeover Panel. What I am proposing is a similar change of attitude by those who make the rules on monopolies and mergers.

J. R. Pretty.
Lower Mill,
Newbridge,
Yarmouth,
Isle of Wight

A tax on land

From Mr H. Law

Sir,—There is much to be said in favour of a tax on land values, *as advocated* by your correspondent Mr Lineham (April 22). As applied in Australia, New Zealand, Canada and parts of the United States, land value taxes operate in much the same way as the British rating system, but with an *important difference:* the assessment is the value of the site alone, whether in use or not, and disregarding buildings and other improvements.

This overcomes the most serious drawback of the present rating system, that improvements are penalised, but the advantages of ease of collection, difficulty of evasion and predictable yield are preserved.

Business would benefit greatly from a change to land-value rating. By bringing vacant and agricultural land into the rating system, it would be possible to reduce the burden on commerce; since it would cost money just to hold land, there would be a built-in incentive to bring empty premises into use and develop vacant sites. In consequence, rents would fall to competitive levels.

A change to a system of land-value rating deserves careful consideration.

Henry Law.
8, Woodhouse Road,
Hove, Sussex.

Data protection bill

From Mr P. Sieghart

Sir,—I hope my friend Mr Peter Carter-Ruck (April 21) will not mind some factual corrections to what he says.

Whether or not the European convention was "intended" to apply to ordinary business processing of information, what it actually says is that it applies to the automatic processing of all "personal data" — that is, any information relating to an identified or identifiable individual. So our Bill has to apply to such data, whoever processes it.

The Bill does not threaten "to set up yet another new government organisation": the whole point is that the registrar will be entirely independent of government.

The registrar and his staff will not cost £13m a year, as Mr Carter-Ruck suggests: according to the Bill's explanatory and financial memorandum, he will cost precisely one-twentieth of that.

There are indeed a good many things wrong with this Bill: the need for all systems, even the most innocuous, to be registered at once, rather than in easy stages; the lack of any provision for users to get together and agree sensible codes of practice which the registrar can then approve; to name but a few. But Mr Carter-Ruck has not really aimed at these central targets.

Paul Sieghart,
6, Gray's Inn Square, WC1.

The outlook for employment

From Mr M. Greener

Sir,—There is a passage in Mr Neuberger's letter (April 25) defending Labour Party policy which admits that in a programme for job creation ". . . we will not need as many people to produce any given level of output." *This* echoes an assertion made way back in 1933 by C. H. Douglas that all necessary goods and services could easily be produced by "the employment of not more than 25 per cent of the available labour working, let us say, seven hours a day." If this was true in 1933 then how much more relevant must it be today after labour-saving technology has accelerated through another 50 years.

If it were politically admitted that an adequate "national cake" can be created by a minority of the existing workforce then contemporary unemployment could be viewed in a totally new light and tackled with an intelligent regard for economic fact. It might also become clear that full employment, in the traditional sense, is now only feasible in a totalitarian state or in an economy regulated on the lines suggested by *Mahatma Gandhi*. We cannot wish for the former and have come too far in the West to adopt the latter which precludes the establishment of industries mass-producing consumer goods, industries which we have in abundance.

If present industrial innovation has made unemployment inevitable then no programme of creating jobs, jobs that are superfluous to national economic needs, can possibly be justified in the long term even if it causes temporary relief. Increasing the size of the "national cake" in the expectation of disposing of the uneaten portion overseas either by way of trade or by way of gift would be to whistle in the wind. The fact that other developed countries would be seeking similar solutions must lead either to the collapsing into chaos of international trade or unacceptable levels of inflation in the home market—if not both.

The only serious alternatives are to tax the minority who are employed sufficiently to afford an adequate income to those who are not, or preferably, the progressive introduction of work sharing with the acceptance by everyone that sharing work inevitably involves sharing the income from that work. Can the Labour Party sell that idea to the unions?

Michael Greener.
33 Glan Hafren,
The Knap,
Barry, S. Glam.

FINANCIAL TIMES
Friday April 29 1983

West Germany wants 'thorough discussion' at Williamsburg, **writes Jonathan Carr in Bonn**

Bonn takes relaxed approach to summit

STRANGE to tell, the West German government is approaching with relaxed confidence the Western economic summit conference to be held at Williamsburg, Virginia, next month.

Senior West German officials involved in preparation for the talks are sure the gathering is not going to produce a simple blueprint for world economic recovery – but equally they are convinced that there will not be a debacle on the lines of the summit last year at Versailles.

Despite reports to the contrary, it is felt in Bonn that differences over East-West trade will not be at the centre of the discussions, nor is a confrontation between the U.S. and its partners expected over intervention in the currency markets.

What Bonn believes will not emerge from its talks with the other six participants – the U.S., Canada, Japan, Britain, France and Italy – is thus clear. But what positive role can the conference play, if any?

One reason for the relative optimism here is the German belief that conditions for an economic upturn in the West have markedly improved since the Versailles meeting, even though unemployment has continued to rise.

In most cases, prices and interest rates have fallen, and several leading countries – including the U.S., West Germany and Britain – seem on the verge of a new phase of growth, with a low inflation rate.

Bonn thus wants the Williamsburg summit to reach broad agreement on how that trend can be consolidated, and dangers to the world financial system thus headed off.

The Germans are convinced that that end cannot be achieved by discussing a series of agenda items in isolation. It is stressed that the key issues – including interest rates, Western economic growth, trade protectionism, developing-country debt and the strains on the international banking system – are interrelated.

The reasoning is that if a further fall in interest rates can be encouraged, in the first place in the U.S., the Western economic upswing will take stronger hold, boosting trade, reducing protectionist pressures, and lowering the interest rate burden on Third World debt.

It is felt in Bonn (and at the Bundesbank in Frankfurt) that the topic is much more important than that of more official intervention to stabilise currencies (especially the high-flying dollar). That may seem to put the West Germans at odds with the Americans on interest rates – and with France, where there has been some talk about "a new Bretton Woods conference," on currencies.

But Bonn feels that on both issues the element of confrontation is more apparent than real. On currency intervention, the Germans think the U.S. Administration is less ideologically opposed than it was – although there is no question of its aiming for a return to a fixed exchange rate system.

On interest rates, it is stressed that the Americans themselves want these to fall further and are well aware of the connection between current U.S. levels and the size of the Federal budget deficit.

For the Germans, therefore, the European role is not one of "putting the Americans in the dock" but of underlining a common interest in budget consolidation and lower interest rates to promote economic growth.

The Germans will be stressing this point for all they are worth in Williamsburg – partly to encourage President Ronald Reagan and partly to deflect any unwelcome demands that Bonn reflate

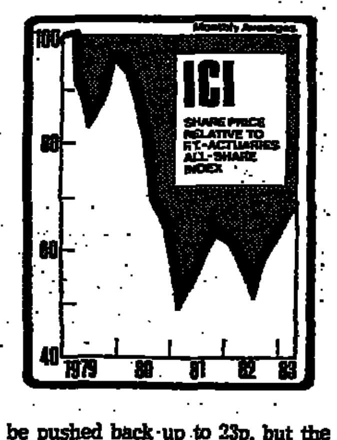
That implies that while Williamsburg may not be a "second Versailles," it will clearly not be a "second Bonn" either. At the 1978 summit in the West German capital, the West Germans agreed to increase budget spending to try to boost economic growth as part of a "package deal" among the seven participants.

This time there is no such concrete deal available – only, or so the Germans hope, a broader and more thorough debate than before, bringing a consensus among the "big seven" that will support an upswing which is already getting under way.

THE LEX COLUMN

ICI paints the City blue

The Government Broker has in his brief tenure carved out a considerable reputation for adventurous funding. Yesterday, however, he excelled himself with a fiendishly cunning stock designed to stop opinion pollsters from disrupting the gilt-edged market. The index-linked Treasury 2½ per cent convertible stock 1999 – more easily digested as the "Maggie Mays" – provides an efficient hedge against electoral risk and should allow the authority to carry on funding against almost any political uncertainty. Quite why the authorities chose a new stock as the conversion vehicle, when a perfectly adequate conventional gilt was available, is a mystery, but otherwise this instrument is pretty well flawless.



ICI

ICI did everything the City of London, the UK Government and assorted election punters could hope for yesterday – and a little more besides. At £128m, its first quarter pre-tax profits were well over double the figure for the same period of 1982, and comfortably ahead of even the most optimistic forecasts made in the wake of the chairman's recent buoyant statement.

More significantly for the harbingers of recovery, the upturn has been led by a 4 per cent volume increase in the group's non-oil interests, heavily weighted to the products closest to the consumer.

The improvement in volume began in February and accelerated in March, coming through most strongly in Continental Europe, where it rose 6 per cent on a seasonally adjusted basis against a 2 per cent fall in Canada and Australia. The group has received a hefty £40m bonus from the weakening pound – more than half of the £72m profits increase on the previous quarter.

The renewed strength of sterling against the D-Mark in particular is taking some of the zip out of the currency factor. About £20m last quarter was due to taking settlement of exports booked before the end of the year, a process which is currently going into reverse.

The £10m boost from cost cutting, however, and the indications that marginal price increases have been sticking in Europe point to a further underlying improvement this quarter. This performance is also reviving hopes that the dividend might be pushed back up to 23p, but the shares, after gaining 16p, finished a mere 4p up on the day at 478p, where they yield 5.7 per cent.

Blue Circle

Blue Circle has been one of the dullest stock market performers in its sector over the last 18 months, as investors have worried about the quality of earnings in some of the more exposed parts of the world. Last year, the company suffered a virtual wipe-out of its trading profits from Chile and Mexico – down £37m. However, the group's policy of spreading its asset portfolio has proved a robust defence, and pretax profits overall have fallen by a more modest £14.1m to £90m. The counterweights have been good performances in the UK, Malaysia and Nigeria.

In the current year, UK margins should improve further in spite of a price freeze, while underlying volume is rising about 5 per cent. The only danger – still fairly remote – is that a response to import competition may reduce average selling prices. The position in Chile and Mexico seems to have stabilised so the outcome for 1983 should emerge back over the £100m mark. Next year the impact of the spate of new plant openings will be coming through strongly and at some stage the share price should start to respond. For the time being, the share price of 462p, up 2p yesterday, offers a comfortable yield of 5.8 per cent. And the dividend is covered twice by UK current cost earnings alone.

UK contractors

John Laing's overhauled board is still talking about loss elimination as the key to improved profitability – or, more properly in Laing's own case, to any profits at all. The nostrum is less platitudinous than it sounds for a company which has just written off £5m against a half-built dam which no one wants in Venezuela and £4.8m against a couple of problems in the Middle East too delicate to specify. Exceptional and extraordinary items of £19.2m include about £18m directly attributable to what Laing calls unreliable information. The items happily split above and below the line such that Laing can squeak home with pre-tax profits of £1.3m. But the retained loss of £9.8m is a more fitting epitaph to three hapless years in overseas markets.

Most of Laing's UK competitors, while extracting themselves less painfully, have shared the same retreat from markets which offered jam for all through the mid-70s. Wimpey's pre-tax profits, up 7 per cent to £45.7m, have picked up less than £1m from the profits of associated companies – mostly based in the Middle East – which added £15.2m in 1981. With its Canadian losses still overwhelming profits from the U.S., Wimpey exemplifies an industry now forced to rely increasingly on UK margins.

House of Fraser

House of Fraser's preliminary statement will have no one cheering in the aisles at next week's heavyweight contest in Glasgow, but it does at least provide tentative evidence that a more aggressive trading strategy in paying off.

After its embarrassing interim loss, Fraser has pulled back to show a 14.9 per cent gain in pre-tax profits for the full year to January. Stripped of exceptional items, they stand at £30.9m. The Christmas spending boom was kind to Harrods, which chipped in £16.9m, and the present sterling/dollar parity should guarantee a splendid summer in Knightsbridge. Loss elimination at Barkers should also keep the momentum going, but it is still far too early to make a categorical judgment on the basic trading strategy at the other Fraser stores. Apart from anything else, the capital spending programme has hardly started. Last year, profits and depreciation exceeded capital expenditure by around £11m. At last night's price of 186p, the yield is 5.9 per cent.

Statistics show mixed fortunes for Japan

By Our Foreign Staff

BALANCE-of-payments figures published in Japan yesterday confirm the country's underlying international economic strength, but statistics on unemployment and inflation point to a mixed picture on the domestic front.

● Japan's current account surplus in the fiscal year ended in March was the third biggest on record at $9.18bn, the Finance Ministry announced. The figure, significantly higher than government projections of around $7bn and substantially above 1981's $5.93bn surplus, reflected declines in imports, especially of crude oil, and in the invisible trade deficit.

● The country's jobless rate in fiscal 1982 was the worst for 21 years, at 2.5 per cent, as a result of the prolonged business recession, the Prime Minister's office announced. The number out of work averaged 1.43m, up 160,000 from the previous year, when the unemployment rate was 2.2 per cent.

● On inflation, the Prime Minister's office reported that the average consumer price in fiscal 1982 rose by 2.4 per cent from the previous year, the lowest annual rise in 23 years. The trend may continue downwards, as the Bank of Japan reported yesterday a year-to-year fall in wholesale prices of 2.1 per cent for the 10 days April 11-20.

A breakdown of the balance of payments figures shows the visible trade surplus in 1982 as $20.02bn, down from $20.36bn in 1981. Exports totalled $135.98bn, down 9.1 per cent, while imports were off 10.3 per cent at $115.96bn.

The invisible trade deficit narrowed to $9.38bn, falling below the $10bn mark for the first time for four years. In fiscal 1981, the deficit was $12.88bn.

The long-term capital account finished $12.26bn in the red in 1982, a slight improvement on the $14.85bn deficit recorded in 1981. That means Japan posted an overall deficit on the balance of payments of $2.08bn.

The unemployment trend appears to be upwards, with the jobless rate for March standing at 2.6 per cent. The worst annual rate recorded in Japan since the war is 2.6 per cent, posted in 1955.

Higher prices will not tempt Iran to oil spot market

BY KATHLEEN EVANS IN TEHRAN

IRAN says it will not re-enter the oil spot market if prices go above official levels, even though to do so would relieve strains on its domestic budget caused by the war with Iraq.

Mr Abbas Honardoost, Iran's deputy oil minister, interviewed in Tehran, denied reports this week that Iran was already selling on the spot market, which has shown signs of recovery recently.

"I have to think of the future of the market first of all, the Opec family and my long-term contracts," he said. Iran is currently negotiating with Japan, its main customer, on the continuation of its crude oil contracts.

National Iranian Oil Company officials recently visited Tokyo, but apparently with little result. Although the minister denied that the visit concerned renewal of the contract and characterised it as "a normal courtesy visit," he described the result as "marvellous" and added that some companies had signed up already.

The minister would not say how much has already been committed but said he hoped Japanese purchasers would reach 400,000 barrels a day (b/d) in the contractual period.

Japanese officials in Tehran say Japan has deferred liftings while negotiations go on. These total 100,000 b/d they say, and by July could fall further. The old contracts worked out at less than 330,000 b/d on an annual basis, but in 1982 Iranian crude supplied to Japan has averaged 216,000 b/d.

The Japanese fear repercussions on their export trade to Iran if they cut oil purchases from the levels the Iranians are seeking.

Mr Honardoost said it would be possible for Iran to raise prices by the end of 1983. Current Opec production was about 15.5m b/d, he said, compared with 13m or 14m b/d at the time of the recent London Opec agreement, and "demand is looking sweet."

Iran had not been able to reach its Opec quota of 2.4m b/d this month, Mr Honardoost said. Production had averaged 2.1m b/d, which would leave exports at 1.5m b/d. The latest Iranian budget requires a minimum export production of 2m b/d he added, though he believed that within the next few months Iran would be able to reach its allocated Opec quota of 2.4m b/d.

One of the long term sales strategies of the Oil Ministry was to cut back barter deals. Such deals, mainly with Islamic and developing nations, were currently absorbing 10 per cent of exports.

British outline stance on currencies

By Stewart Fleming in Washington

BRITISH Government officials yesterday stressed the useful role which official foreign exchange market intervention can play in indicating a government's concern about the market's reaction to economic trends.

The comments were made in Washington on the eve of the publication today of the official study of the role of foreign exchange market intervention which heads of government ordered at the Versailles economic summit last year.

Considerable differences of opinion over the role of intervention still remain. With the report due to be released, however, government officials are seeking to bridge their differences, a process which has brought the British and West Germans closer together in their thinking.

The main point still being stressed by the British Government is that exchange rate stability is important, but that the right path towards this is through the convergence of economic policies.

Intervention may be able to play only a modest role in helping to iron out temporary fluctuations and cannot influence fundamental trends.

Volkswagen reports losses of DM 300m worldwide in year

BY JOHN DAVIES IN FRANKFURT

VOLKSWAGEN, West Germany's biggest motor vehicle group, has reported a worldwide loss of DM 300m ($122.4m) for last year and sees another difficult year ahead.

The group, which has already announced that it is omitting a parent-company dividend for the first time since 1975, made losses in the U.S. and Latin America, as well as in its Triumph-Adler office equipment subsidiary. In 1981, shareholders received a dividend of DM 5.

VOLKSWAGEN: WORLDWIDE OPERATIONS

	1979	1980	1981	1982
Cars produced (m)	2.54	2.58	2.25	2.13
Cars sold to dealers (m)	2.54	2.49	2.28	2.12
Sales revenue (DM bn)	30.71	33.29	37.88	37.43
Earnings (DM m)	667	321	136	–300*

* Loss

VW's plunge into the red is the culmination of a drastic worsening of its position in the past three years, its worldwide profits falling steadily from DM 667m in 1979 to DM 321m in 1980 and to DM 136m in 1981.

Dr Carl Hahn, who took over as chief executive at the beginning of last year, said that efforts being made to ensure a sound future for VW would not be reflected in group earnings before 1984 at the earliest.

In the U.S., where VW recently sold its Sterling Heights factory to Chrysler, the German group made a loss of DM 347m last year, compared with a DM 1.3m profit in 1981.

In Mexico, it lost DM 105m and in Argentina DM 29m. The company said that a "profit" of DM 19m in Brazil arose from a peculiarity of local accounting and actually involved in VW's eyes a further loss on top of the DM 326m loss there in 1981.

At Triumph-Adler, where VW last year waived DM 100m of debt repayment, the office equipment group booked a loss of DM 34m and its parent company a DM 9m loss.

Dr Hahn said that operations of the parent VW company in West Germany produced an after-tax surplus of DM 33m, but the heavy losses elsewhere in the group and the cost of restructuring measures made a dividend impossible without eating into the company's reserves.

The group, worldwide, produced 2.13m cars last year, 5 per cent fewer than in 1981, while its sales to dealer organisations dropped 7 per cent to 2.12m. World sales revenue edged down 1.2 per cent to DM 37.43bn, with 68 per cent of the revenue coming from abroad.

Kaufhof to raise dividend, Page 21

Johnson & Johnson hit by drug recall

By Paul Taylor in New York

JOHNSON and Johnson, the leading U.S. pharmaceutical group, said yesterday that its decision to withdraw its Zomax prescription pain killer from the market reduced net earnings by $20m in the first quarter. The company added that loss of sales of the drug will continue to depress 1983 earnings.

The impact of the Zomax withdrawal, the second serious blow to the company in the last six months, had been forecast by the company which last year was forced to recall its big-selling Tylenol capsules from the U.S. market when seven residents in the Chicago area died after taking capsules laced with cyanide.

Johnson and Johnson withdrew Zomax last month after reports that five people had died after taking the drug. The U.S. Food and Drug Administration is currently completing an evaluation of the drug, which had worldwide sales last year of about $82m.

The withdrawal of Zomax from the market accounted for almost all the drop in the company's first-quarter earnings,

ICI profits double

Continued from Page 1

profit – £26m – was mainly the result of a higher volume of sales, particularly in the seasonally strong month of March.

ICI's chemical businesses improved on the previous quarter, but most of the upturn came in Western Europe, with business elsewhere remaining flat.

"Particularly good results were achieved in pharmaceuticals and agriculture," the company said. Petrochemicals and plastics continued to show a loss.

Peugeot sees loss, then break-even

BY PAUL BETTS IN PARIS

PEUGEOT, the large private French car group, said it would report a loss of FFr 2.1bn-FFr 2.2bn ($286m-$300m) for 1982 but expected to break even this year.

The loss is not as high as some motor industry analysts had been forecasting. None the less, Peugeot had originally hoped to break even in 1982, but its performance was badly hit by a combination of factors in France and abroad.

In a letter to shareholders, Peugeot said its consolidated group sales will show only a 4 per cent increase to FFr 75.5bn last year compared with 1981. The company is to report its 1982 results next month.

Although Peugeot reported a loss of FFr 1.9bn in 1981, company officials said year-on-year comparisons were a little misleading because Peugeot had changed its accounting system last year.

After painstakingly reorganising itself following the acquisitions of Citroen and Simca-Chrysler, Peugeot appeared finally to have overcome its biggest obstacles and started 1982 on a positive note.

But the company was burdened in France by the government's new labour measures, which sharply increased Peugeot's social charges costing the company an estimated FFr 1bn last year.

Moreover, Peugeot said the price freeze imposed by the government last year meant that the company was only able to increase its average car prices in France by a meagre 3.75 per cent last year.

The French car group also continued to suffer losses in Spain and in the UK. Although Peugeot claims the UK situation has improved and the company's Talbot subsidiary had a slim profit in the first quarter of this year, the company lost about £50m in the UK last year compared with £90m in 1981.

A Peugeot official said that despite Talbot's first quarter UK profit, the UK operation was expected to continue to lose money this year.

Other European company results, Page 21

Optimism on Nigeria debt

Continued from Page 1

its large balance-of-payments deficit, bankers said yesterday.

They were also reassured that any agreement reached by the main commercial banks would not jeopardise the talks between Nigeria and the IMF, after an initial visit by IMF officials to Lagos earlier this month.

The U.S. banks in particular had opposed any refinancing of the trade arrears before Nigeria agreed with the IMF on a programme, while the British and French banks had argued that that would mean a delay of several months, almost certainly until after the presidential election in Nigeria in August.

Nigeria's arrears in trade payments have built up rapidly over the past 15 months, because of the slump in its oil production without a comparable reduction in its rate of imports.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	19	66	Dubrovnik	F	22	72	Malaga	F	19	66	Salzburg	F	16	61
Algarve	S	24	75	Faro	F	17	63	Malta	F	20	68	Seoul	R	19	66
Algiers	F	21	70	Florence	C	19	66	Manila	S	34	93	Singapore	C	33	91
Amsterdam	F	12	54	Frankfurt	F	16	61	Miami	C	25	77	Stockholm	C	7	45
Athens	C	28	82	Funchal	R	16	61	Milan	S	19	66	Strasbourg	F	19	66
Bahrain	S	30	86	Geneva	C	13	55	Moscow	C	17	63	Sydney	R	21	70
Bangkok	S	34	93	Gibraltar	F	19	66	Munich	S	17	63	Taipei	S	32	90
Barcelona	F	18	64	Guernsey	F	11	52	Nairobi	–	—	—	Tangier	F	17	63
Beirut	S	23	73	Helsinki	S	12	54	Naples	F	27	81	Tehran	–	—	—
Belgrade	S	25	77	H. Kong	S	29	84	New Delhi	S	37	99	Tel Aviv	–	—	—
Berlin	F	18	64	Innsbruck	F	17	63	New York	S	26	79	Tenerife	C	20	68
Biarritz	S	17	63	Inverness	C	8	46	Nice	F	16	61	Tokyo	C	25	77
Blackpool	R	8	46	Istanbul	S	21	70	Oporto	F	13	55	Toronto	C	21	70
Bordeaux	F	16	61	Jersey	S	11	52	Oslo	C	10	50	Tunis	S	25	77
Brussels	F	13	55	Jo'burg	S	20	68	Paris	S	15	59	Valencia	F	21	70
Budapest	S	23	73	Las Palmas	S	20	68	Prague	F	19	66	Venice	F	19	66
B. Aires	C	24	75	Lima	S	29	84	Reykjavik	C	6	43	Vienna	F	19	66
Cairo	S	30	86	Lisbon	R	11	52	Rio de J'o	C	28	82	Warsaw	F	18	64
Cape Town	–	—	—	Locarno	C	14	57	Rome	S	20	68	Zurich	F	17	63
Caracas	R	30	86	London	F	14	57								
Casablanca	F	19	66	Los Angeles	R	21	70								
Copenhagen	F	9	48	Luxembourg	F	13	55								
Corfu	S	24	75	Madrid	S	15	59								
Dublin	S	11	52	Majorca	F	21	70								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Reagan unity fails bid

Continued from Page 1

human rights in order to better relations with the U.S. He had resigned after the Guatemalan Government would not go far enough in either area, he said.

Other leading Democrats, however, said while Mr Stone's association with Guatemala posed difficulties, it would not necessarily preclude his appointment. Mr Stone, a multi-millionaire, is an unpaid White House consultant

While Central American reaction to Mr Reagan's speech was mainly predictable, comments by President Joao Figueiredo of Brazil criticising U.S. policy towards the region and asserting that Washington was directly driving Nicaragua towards the Soviet bloc is seen as a setback for U.S. efforts to consolidate Latin American support for its views.

President Figueiredo was speaking in the Mexican resort of Cancun during his official visit to President Miguel de la Madrid of Mexico.

Nicaraguan reaction to the speech was summarised in a call by the Government for armed marches throughout the country to protest against the U.S. leader's remarks.

Father Miguel d'Escoto, the Nicaraguan Foreign Minister, said in Managua President Reagan was lying when he said Nicaragua had blocked talks with the U.S.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday April 29 1983

PROBLEMS FOR POWER STATION GROUPS

Deutsche Babcock hit by losses

BY JAMES BUCHAN IN BONN

DEUTSCHE BABCOCK, the West German conventional power station and engineering group, confirmed yesterday that it would not pay a dividend in 1981–82 for the first time in 33 years because of some DM 900m ($368m) losses on three major contracts in the Middle East.

At the same time, Brown Boveri (Mannheim) (BBC), the 56 per cent subsidiary of the Swiss electrical engineering group, said that continued difficulties with nuclear power station construction had cut net profits in 1982 to DM 5.85m, against DM 20.2m in 1981. The group, however, is to maintain a dividend at last year's reduced level of DM 6 by drawing DM 12.85m from reserves.

Herr Hans Ewaldsen, chief executive of Deutsche Babcock, told a noisy shareholders' meeting that his company was passing through its "most serious crisis since 1950," with net losses of DM 389m in the year to September 1982.

The problems with the power station contract in Saudi Arabia and Kuwait, and a building contract in Libya, were attributable as much to management mistakes and rashness as to unexpected cost increases, he said.

Although these losses will continue to burden the profit-and-loss account, Herr Ewaldsen said the company was "structurally sound."

Overseas risks had been sharply reduced and the group workforce cut by 3,500 since the end of September 1982. Herr Ewaldsen said he expected a positive earnings results for 1982–83, with orders expected to reach DM 6.7–DM 6.9bn, or about last year's level.

Herr Herbert Gassert, chief executive of BBC, said that group sales rose only marginally in 1982 to DM 4.76bn (1981: DM 4.72bn) but they should climb about 6 per cent this year.

Orders booked in the first quarter rose 9 per cent to DM 1.3bn, on top of orders in hand at the beginning of the year of DM 8.7bn. First quarter sales were DM 1.05bn.

Herr Gassert said that the weak export markets for nuclear stations would require BBC to adopt a more flexible strategy, possibly to the extent of abandoning light water reactors. Meanwhile, BBC has had to shoulder "several hundred million" D-marks of the DM 4bn cost overrun at the nuclear power station it is building at Mülheim.

Pan Am proposes $50m debt offer

By Paul Taylor in New York

PAN AMERICAN World Airways, the major U.S. airline which earlier this week announced a sharp reduction in its first quarter loss, said yesterday that it is planning a further public debt offering.

Pan Am filed a registration statement with the Securities and Exchange Commission covering the proposed public offering through E. F. Hutton, the Wall Street securities firm, of 50,000 units consisting of $50 million of 30-year limited subordination senior debentures and warrants to purchase Pan Am common shares. The airline also said Hutton would have the option to purchase up to an additional 5,000 units of $5m debentures and warrants.

The proposed issue, the timing and final details of which have yet to be announced, is the latest in a series of steps by the financially troubled airline to strengthen its balance sheet and provide additional working capital.

The airline has recently concluded an agreement on the deferral over eight years of about $120m of lease and debt service obligations and is negotiating the possible sale of its leasehold agreement in its passenger terminal at New York's Kennedy Airport.

In addition Pan Am sold $150m face amount of 15 per cent convertible trust notes in February through a public offering and is seeking to raise its authorised capital shares from 150m to 200m at its annual meeting on May 19.

On Wednesday, the airline reported that its first quarter net loss has dropped from $127.3m last year to $79.6m and that its operating loss had been cut to $34.5m for the quarter from $100.1m in the 1982 first quarter.

Mexican bank makes record petrobond issue

BY WILLIAM CHISLETT IN MEXICO CITY AND PETER MONTAGNON IN LONDON

NACIONAL Financiera, Mexico's state development bank, will today launch a 50bn pesos series of petrobonds. This is the largest-ever issue of the bonds, whose redemption value is linked to the price of Mexican oil.

The issue is designed to refinance a maturing series of bonds as well as provide new money to help cover Mexico's budget deficit. Mexican officials also hope that a successful flotation of petrobonds will stimulate confidence in the ability of the government of President Miguel de la Madrid to overcome the country's severe economic problems.

Petrobonds are a unique capital market instrument originally conceived in 1977 to give Mexican and foreign investors a chance to share in the proceeds of Mexico's enormous oil wealth. Though denominated in domestic currency, their redemption value is linked to the dollar export price of Mexican oil in order to protect investors against any devaluation of the peso.

But this protection has proved extremely costly for Nacional Financiera in the past. The latest issue will allow it to redeem a series of petrobonds launched in 1979 with a face value of 5bn pesos. The sharp devaluation of the peso has given these bonds a redemption value of nearly 25bn pesos.

The new issue bears a net interest rate of 9.48 per cent, but unlike previous issues of petrobonds, interest payments will also be linked to the dollar price of oil, offering investors an effective exchange rate protection on interest as well as principal repayments. Nacional Financiera has set a minimum oil price of $29 per barrel as the reference for calculating the bonds' redemption value.

Despite this protection, some bankers believe that Mexico is taking a calculated gamble in launching such a large issue of petrobonds. Its face value adds up to more than the 47bn pesos worth of such paper launched in seven separate issues since 1977. Foreign investors are unlikely to put new money into the petrobond market for the time being, while local investors appear rather squeezed for cash by the recession.

Nonetheless, a successful flotation would help restore local financial confidence and would help the Mexican Government in its efforts to curb monetary financing of its budget deficit in line with the policies prescribed under the stabilisation programme drawn up by the International Monetary Fund.

Existing foreign investors in the maturing series of bonds are expected to use their redemption proceeds to buy into the new series, since they would otherwise have to convert their pesos into dollars at the expensive free-market rate. Repatriation of capital held overseas by Mexicans themselves to invest in the new bonds appears, however, extremely unlikely.

WEEKLY U.S. BOND YIELDS (%)

	April 27	April 20	1982–83 High	Low
Composite Corp. AAA	10.85	10.90	14.88	10.83
Composite Corp. AA	11.09	11.11	15.24	11.09
Government:				
Long-term		10.44	14.02	10.18
Intermediate	10.35	10.07	14.24	9.91
Short-term	9.98	9.55	14.52	9.23
Municipal	9.46	9.07	12.62	8.92
Industrials AAA	n/a	10.76	14.49	10.56
Industrials AA	10.69	11.06	14.79	10.96
Utilities AAA	11.01	11.03	15.27	11.01
Utilities AA	11.23	11.17	15.69	11.17
Preferred Stocks	10.73	10.82	13.36	10.71

Source: Standard & Poor's

Euromarket report appears on Page 32

Hong Kong property deal delayed

By Andrew Fisher in Hong Kong

COMPLETION of a HK $2.8bn (U.S. $408m) property deal in the Kowloon shopping and tourist area of Hong Kong has been delayed for a year.

One of the companies involved is Carrian, which bankers are now struggling to rescue after its rapid expansion in property and other sectors. Others are Hongkong Land, Miramar Hotel and Investment, Sun King Fung Development and China Underwriters.

The site of the deal, agreed in August 1981, is the old Miramar Hotel in the so-called "golden mile" of shops and hotels. The price was a world record for one site.

The terms foresaw a final balance of HK$2.9bn being paid in May 1983. No details of revised payment terms were given in a brief statement by Miramar Hotel and Investment on the agreement with Beaux Estates (the purchasing consortium), which said postponement of the completion date had been agreed.

Carrian had a 55 per cent stake in Beaux, but this is believed to have been reduced.

Offices and shops are planned for the 86,000 sq.ft. site, but since the sale was agreed the property market has collapsed and Carrian has run into difficulties. Beaux did not say what other factors may have been involved in the postponement, although there have been rumours that a sitting tenant is refusing to move out.

Standard Oil of Ohio suffers sharp drop in sales and profits

BY OUR FINANCIAL STAFF

STANDARD Oil of Ohio (Sohio), the large Alaskan oil producer which is 53 per cent owned by British Petroleum, reports reduced sales and profits for the first quarter of 1983.

Net earnings, hit by closure costs, have tumbled to $227m, against $455m for the opening quarter of 1982. Sales revenues are very nearly a quarter lower at $2.8bn, compared to $3.6bn.

At the unit level, a charge of 30 cents a share arises from the closure of Sohio's major abrasives business, and there is a further 14 cent charge resulting from a predetermination of interests in the Prudhoe Bay Field.

The result is that earnings per share emerge at $1.12 compared with $1.85. This represents a decline of 40 per cent.

Sohio pulled out of abrasives (except for Brazil) last month after operating losses totalled $27m. The cost of the closures was put at $75m.

Shell Oil, the U.S. company which is 69 per cent owned by the Royal Dutch Shell Group, saw net income in the first quarter of 1983 fall by 28.7 per cent to $246m. Revenues were down 4 per cent to $4.65bn.

Shell Oil's oil product segment, which includes refining, transport and marketing, made its first loss since 1975 in the quarter – $40m against a $34m profit in the 1982 first quarter.

Shell said margins deteriorated as selling prices of refined products declined sharply, reflecting spot crude oil price movements and intense competition. Crude oil acquisition costs also fell, "but the decline in the company's long-term supply contracts lagged behind decreases in spot crude oil."

Earnings per share in the quarter were 80 cents, against $1.12.

Sun Company, the U.S. integrated oil producer, has reported a 26 per cent fall in its first quarter net income to $90m. Sun's refining and marketing group (excluding Canada) lost $20m in the first quarter against $11m in the same quarter of last year.

Tenneco, the Houston-based conglomerate, reported a 14 per cent fall in its first quarter net income to $111m, which it blamed on a reduction in earnings of its oil company. The company was particularly hard hit by a fall in natural gas production.

Among other U.S. oil companies, earnings were lower by 14 per cent to $330.4m at Atlantic Richfield, by 37 per cent to $182m at Gulf Oil, and by 12 per cent to $157.8m at Getty Oil.

Zurich Insurance lifts payout

BY OUR ZURICH CORRESPONDENT

ZURICH INSURANCE, the big Swiss insurance group, plans to increase its dividend for 1982.

The payment is going up from SwFr 220 to SwFr 240 ($116.8) per share, while participation certificate holders will receive SwFr 24, against the SwFr 22 paid for 1981.

Group premium income jumped by 17 per cent to SwFr 7.8bn with something like a quarter of the increase stemming from acquisitions.

However, investment income rose by nearly a quarter to SwFr 1.4bn and, at the parent company level, Zurich Insurance has managed to improve net profits to SwFr 90.2m from the SwFr 80.2m of 1981.

Casualty, non-life and reinsurance premiums rose by 18.3 per cent to SwFr 6.078bn and life assurance premiums higher by 14.4 per cent at SwFr 1.76bn.

Total investments of the group grew considerably from SwFr 8.98bn to SwFr 10.06bn for casualty, non-life and reinsurance operations and from SwFr 8.02bn to SwFr 9.13bn for life assurance business. Investment income from the two sources rose from SwFr 638.7m to SwFr 807m and from SwFr 488.8m to SwFr 591m respectively.

Favourable results for Møller despite difficulties in industry

BY HILARY BARNES IN COPENHAGEN

RECORDED earnings by the A.P. Møller shipping, shipbuilding and industrial group were described in the group's annual reports as "relatively favourable" in view of difficult conditions in world shipping markets.

Earnings by the group's shipping partnership which operates more than 100 vessels, were down from DKr 815m, to DKr 468m ($53.85m), but group profits were boosted by DKr 158m from production of oil from the Danish sector of the North Sea, the first time the North Sea activities have yielded a profit since the group obtained a licence to the Danish sector in 1962.

No 1983 forecasts are made in the annual reports from the twin parent companies, Dampskibsselskabet Svendborg and Dampskibsselskabet af 1912, but shipower Maersk McKinney Møller wrote recently in the house magazine that he expects conditions in world shipping this year will be tough.

However, it is expected that 1983 earnings will be favourably affected by the sale last year of five semi-container vessels, to an American consortium for charter to the U.S. Navy.

Equity capital in the shipping partnership increased from DKr 4bn to DKr 4.48bn last year out of a balance sheet total which increased from DKr 10.0bn to DKr 11.7bn, while the combined shareholders' equity in the parent companies increased from DKr 1.50bn to DKr 1.69bn.

Mexico bank suffers sharp profits fall

MULTIBANCO Comermex, Mexico's fourth largest state run commercial bank, suffered a 93.5 per cent drop in net profits for 1982 to 52.4m pesos ($733,862) after 818.7m pesos in 1981. Banks are using a conversion of 71.4 pesos per dollar for 1982 results.

The sharp fall was largely related to Comermex's problems with its loans, most of which are to its holding company Grupo Chihuahua, the industrial group based in the northern state of Chihuahua.

Companies have been badly squeezed by the heavy devaluation of the peso, which has greatly pushed up the cost in peso terms of servicing dollar loans.

Brewer joins Interferon study

BY PAUL TAYLOR IN NEW YORK

ANHEUSER-BUSCH, the major U.S. brewing group, is entering the biotechnology research field through an agreement with Interferon Sciences, a 75 per cent-owned subsidiary of National Patent Development Corporation.

The two companies announced a three-year research and development agreement yesterday which is believed to be the first of its type in the field of Interferon research.

The agreement, which Interferon believes will enable it to leapfrog competitors in the research and development of the protein, provides for Anheuser-Busch to fund about $6m of Interferon's research for producing Interferon and related biological products

Anheuser-Busch, the leading U.S. producer of bakers' yeast, will use its yeast fermentation technology and make available a modern fermentation pilot plant for the research programme.

The two companies will study methods of using yeast to produce recombinant Interferon for clinical trials leading to commercial production. Interferon has shown potential effectiveness in the treatment of viruses and tumours. Both companies will be entitled to receive royalties on each other's production of any commercial products developed during the research programme.

Under the agreement, Interferon has also sold Anheuser-Busch a warrant giving the brewing group the option to purchase 3m new shares in Interferon at prices ranging from $7.50 to $12 a share during the seven-year term of the warrant.

Interferon currently has about 4m shares outstanding of which Patent Development Corporation, a developer and manufacturer of eye and other medical and health care products; owns 3m.

Meanwhile, Anheuser-Busch has reported a rise in first-quarter net earnings from $63.9m or $1.11 a share to $68.7m or $1.28

Baldwin chief goes on leave

BALDWIN-UNITED, the troubled financial services group, said it had accepted a request by Mr Morley Thompson, president and chief executive, for a leave of absence. According to Baldwin, Mr Thompson wanted leave to pursue possible avenues for obtaining additional equity financing and other transactions for the company.

Mr Thompson, 56, was largely responsible for transforming the company from a Cincinnati piano manufacturer.

Nestlé forecasts strong performance

BY JOHN WICKS IN ZURICH

THE SWISS Nestlé group expects to repeat its record 1982 earnings performance this year.

Consolidated net profits last year rose by 13.9 per cent to a record SwFr 1.1bn ($534m) despite a 0.3 per cent drop in group turnover to SwFr 27.66bn. This brought the return on sales up to 4 per cent, the highest level since 1977.

The board has already proposed payment of an increased dividend of SwFr 96 (compared with SwFr 85 in 1981) per share for the Swiss parent company and an unchanged $8 per share for the twinned stock of the Panama holding company, Unilac.

According to Mr Helmut Maucher, Nestlé's managing director, group sales rose by 6 per cent in Swiss franc terms in the first quarter of this year, with a simultaneous increase in sales volume. Although turnover had stagnated in Europe, owing in part to weaker exchange rates, sales increased in North America, Asia and Africa.

Mr Maucher attributed the slight decline in 1982 group turnover to the currency situation. Had exchange rates remained unchanged, he said, Swiss franc turnover would have increased by about 17 per cent. Nestlé had also divested itself of a number of operations, particularly the canning activities of Libby in the U.S.

Consolidated turnover was expanded by the inclusion for the first time of affiliates managed by Nestlé but in which it holds a stake of less than 50 per cent. Without these, group turnover would have fallen by some 3 per cent last year.

G&W sells textile stake

IN THE latest step towards running down its big investment portfolio, Gulf and Western Industries, the diversified U.S. group, with interests ranging from leisure to natural resources, has sold its 22 per cent shareholding in J. P. Stevens, the textile group, for $95.6m.

In the past 10 days, Gulf and Western has announced the sale of five investment holdings, for a total of around $180m.

Kaufhof raises dividend

BY JOHN DAVIES IN FRANKFURT

KAUFHOF, the West German retail stores group, is increasing its dividend after an improved performance as a result of a determined cost-savings campaign.

The dividend is being raised from DM 6 to DM 6.50 per DM 50 share.

In an interim report, Kaufhof said that although the parent company reported an unchanged surplus of DM 49m ($20m) for last year, the financial position was basically stronger. Cost-saving measures had led to an improvement

Kaufhof has already reported that its sales declined slightly last year by 0.6 per cent to DM 8.45bn.

The retail trade in general in West Germany reported rather lower sales revenue last year, which in real terms amounted to a setback of about 4.5 per cent.

In the first three months of this year, the main department stores have reported an increase of between 4 and 8 per cent in money terms, compared with the first quarter of last year.

Pernod boosts net earnings

PERNOD RICARD, the French drinks group, reports an increase in profits for 1982, but because of dividend restrictions will be forced to reduce its payment to shareholders.

Net earnings have risen to FFr 370m ($50.1m) against the FFr 310m returned in 1981. The dividend is to be FFr 27 a share, down from the FFr 29.25 paid in 1981.

The reduction in dividend stems from government curbs which limit dividend growth

INTERNATIONAL COMPANIES and FINANCE

MOTOR GROUP REVIEWS COMPONENTS' POLICY

GM set to cut number of outside suppliers

BY KENNETH GOODING IN LONDON

GENERAL MOTORS, the world's largest vehicle producer, may cut the number of its outside component suppliers by half from the current 20,000.

A number of the group's own component plants will also "cease to be needed," according to the latest edition of International Automotive Review.

GM is furthermore expected to insist that component suppliers have plants within a 100-mile radius of the GM facilities which they supply in order to be able to deliver within 24 hours to the assembly track.

"This amounts to the introduction of well-tried Japanese practices, along with the onus for quality inspection resting with the suppliers. In return, GM will give fewer suppliers larger orders and contracts for longer periods, thus recognising the heavy investment suppliers may have to make," IAR suggests.

It points out that the major changes being made in GM's administration are intended to increase efficiency and reduce costs. They involve a return to a policy of giving the individual makes (such as Chevrolet, Buick, Oldsmobile, Pontiac, Cadillac) and divisions their own identities and sales and marketing organisations.

But there will also be a substantial "commonisation," or interchangeability of some non-visual body parts, engines and mechanical components.

According to the review there is to be growing centralisation of manufacture of components by GM itself to exploit the cost effectiveness of volume of scale and of devoting technical resources to common developments.

It is implied, but not directly stated, that GM's subsidiary in Europe, Opel of West Germany, will be affected by these changes.

In Britain the Bedford subsidiary has already been caught up in the new centralisation policy

"International Automotive Review," from ARMC, 67 Clerkenwell House, London EC1R 5BH, UK.

North American Quarterly Results

ALGOMA STEEL

First quarter	1983 $	1982 $
Revenue	169.8m	321.9m
Net profits	†35.2m	32m
Net per share	†2.51	2.28

† Loss

AMP INC.

First quarter	1983 $	1982 $
Revenue	340.5m	322.6m
Net profits	34.33m	33.45m
Net per share	0.96	0.93

AMERICAN NATURAL RESOURCES

First quarter	1983 $	1982 $
Revenue	882.5m	1.06bn
Net profits	60.9m	79.9m
Net per share	2.52	3.38

ANHEUSER-BUSCH

First quarter	1983 $	1982 $
Revenue	1.54bn	1.16bn
Net profits	68.72m	63.94m
Net per share	1.28	1.11

BAKER INTERNATIONAL

Second quarter	1982-83 $	1981-82 $
Revenue	471.2m	678.4m
Net profits	7.83m	74.33m
Net per share	0.11	1.08
Six months		
Revenue	954.5m	1.3bn
Net profits	20.81m	146.49
Net per share	0.30	2.14

BRIGGS & STRATTON

Third quarter	1982-83 $	1981-82 $
Revenue	169.8m	188.5m
Net profits	9.96m	15.23m
Net per share	0.69	1.05
Nine months		
Revenue	467.7m	507.3m
Net profits	24.7m	34.7m
Net per share	1.71	2.40

BRUNSWICK CORP

First quarter	1983 $	1982 $
Revenue	289.2m	273m
Net profits	9.53m	215.96m
Net per share	0.81	10.22

CANRON

First quarter	1983 C$	1982 C$
Revenue	85.5m	94.6m
Net profits	†5.52m	†604,000
Net per share	†1.07	†0.21

† Loss

More results on Page 30

CHAMPION SPARK PLUG

First quarter	1983 $	1982 $
Revenue	172.8m	216.4m
Net profits	†1.90m	11.3m
Net per share	†0.05	0.29

† Loss

DART AND KRAFT

First quarter	1983 $	1982 $
Revenue	2.32bn	2.44bn
Net profits	98.5m	96.9m
Net per share	1.79	1.77

MESA PETROLEUM

First quarter	1983 $	1982 $
Revenue	106.7m	104.1m
Net profits	40.74m	33.23m
Net per share	0.57	0.44

MIDDLE SOUTH UTILITIES

First quarter	1983 $	1982 $
Revenue	866.0m	643.3m
Net profits	62.41m	70.19m
Net per share	0.43	0.56

NATOMAS

First quarter	1983 $	1982 $
Revenue	366.6m	389.6m
Net profits	†6.8m	49.9m
Net per share	— —	0.92

† Loss

McGRAW EDISON

First quarter	1983 $	1982 $
Revenue	511.5m	554.0m
Net profits	7.4m	6.2m
Net per share	0.45	0.37

Yamaha Motor to replace president

BY YOKO SHIBATA IN TOKYO

YAMAHA MOTOR, the world's second largest motorcycle manufacturer after Honda, has announced a management reshuffle involving the appointment as president of Mr Hideo Eguchi, who is a director of Nippon Gakki which has a 39.1 per cent stake in Yamaha, to replace Mr Hisao Koide.

Mr Koide is stepping down because of the acute business deterioration suffered by the company which has resulted from its involvement in stiff sales competition with Honda despite the sluggish global demand for motorcycles.

The company recently announced that it will cut its dividend from Y10 per share to Y6 for the 1982-83 fiscal year and plans to pass its dividend for the 1983-84 year, as well as cutting back motorcycle output by 18 per cent to 2.2m units in the face of a fall into deficit and the expectation of widening losses next year.

Yamaha said "Despite the fact that Japanese makers are dominating the world motorcycle market, we were carelessly involved in foolhardy sales competition between Japanese makers. When we realised, it was too late, our business performance had already stalled and crashed in an instant like a jet plane."

Last year Yamaha launched an onslaught on motorcycle sales and succeeded in narrowing the gap with Honda, taking its domestic market share up to 36 per cent against Honda's 39 per cent. However, Yamaha admits that it undervalued Honda's vigorous sales network and by December 1982 the market leader had pushed its domestic market share for the year to 45.8 per cent compared with Yamaha's 32.8 per cent.

As Mr Eguchi is not a board member of Yamaha Motor at present, Mr Seisuke Ueshima, the senior managing director of Nippon Gakki, will serve as acting president until July when a shareholders meeting is scheduled to elect Mr Eguchi formally as president. Mr Ueshima will step into the newly-created post of vice-chairman.

The new Eguchi-Ueshima regime will have to slash excess inventories of motorcycles totalling 1m units in both Japan and the U.S. and alleviate the heavy load in interest payments resulting from debts of some Y300bn including those of its U.S. subsidiaries. The company has already decided to deploy 700 workers to Pioneer Electric or other affiliated companies. With it's new management the company aims to complete the reconstruction of its business in two years.

● Meanwhile, Honda Motor has reported a 10 per cent increase in 1982-83 net profits to Y72.2bn ($305m) on turnover up by 18.4 per cent to Y2,230bn. Profits per share rose to Y84.82 from Y80.94.

Last week Honda announced record parent company net profits of Y31.32bn compared with Y24.25bn for 1981-82.

Sales were 13.1 per cent higher at Y1,747bn helped by a sharp improvement in both the domestic car and motorcycle markets. Car sales rose by 13.4 per cent to Y997.9bn and motorcycle sales by 8.5 per cent to Y501.5bn.

Pharmaceutical groups show mixed results

By Our Financial Staff

TWO MAJOR Japanese pharmaceutical companies have reported mixed results for the year to December 31. Chugai Pharmaceutical increased its consolidated net earnings by 3.9 per cent to Y4.356bn ($18.4m) compared with Y4.194bn in the previous year. But Green Cross showed a 6.8 per cent fall in consolidated net profit to Y5.683bn from Y6.095bn previously.

Chugai's sales grew by 14 per cent to Y88.144bn, but consolidated earnings per share dropped to Y34.11 from Y42.78. This was partly attributed to an increase in outstanding shares from 98.1m to 127.7m. Earnings growth was inhibited by higher promotional costs and increased research expenditure.

Chugai previously reported a 4 per cent rise in unconsolidated net income to Y4.359bn from a sales increase of 13.9 per cent to Y87.836bn.

Green Cross's latest report contrasts sharply with the company's previously announced rise of 8.8 per cent in unconsolidated net income to Y5.30bn. Consolidated sales for Green Cross advanced by 14.3 per cent to Y84.586bn from Y73.990bn previously. Earnings per share slipped to Y36.20 from Y46.45. According to the company, net earnings were hurt by foreign exchange adjustments of Y1.047bn, which represented a significant increase on the previous year's foreign currency losses of Y398m.

The company predicted a further weakening in margins during the current year and forecast consolidated net income of around Y5bn, down 12 per cent on sales of Y88bn.

Makita just ahead

MAKITA Electric Works, Japan's largest manufacturer of portable electric power tools, posted a rise of 2.9 per cent in consolidated net income in the year to February 20, to Y5.556bn (US$23m) from Y5.401bn in the previous year. Sales advanced 14.3 per cent to Y79.732bn (Y69.735bn), but margins narrowed and earnings per share fell to Y60 on increased share capital, from Y66.10 in 1980-81.

Japan curbs moneylenders

BY OUR TOKYO STAFF

THE JAPANESE Ministry of Finance (MoF) is to issue notice to Japan's financial institutions that they should curb lending to consumer loans companies.

The announcement of this came yesterday in parallel with the so-called Sarakin regulation law being passed through the Diet session of the House of Representatives, on the seventh attempt of recent years.

The new laws will go into effect in October, immediately lowering the lending rate ceiling to 73.0 per cent per annum from the current 109.5 per cent as stipulated in the law regulating the receiving of capital subscriptions, deposits and interest on deposits. The 73.0 per cent ceiling will continue for three years. Then the ceiling will be reduced to 54.75 per cent, and then in another two years to 40 per cent.

The laws also obliges enterprises or individuals wishing to set up consumer loans companies to obtain the approval of prefectural governors. At present, they can start business just by presenting notice of their doing so.

The bill is aimed at cutting social problems and the tragically high number of suicides arising from the "loan shark" practices of some consumer loan companies.

Amid mounting social criticism of the operations of Sarakin moneylenders as a whole, the scale of loans from city banks to these finance companies has drawn a wave of social criticism. Despite informal administrative guidance to Japanese banks not to extend loans to Sarakin in 1978, Japanese banks' loans to them had jumped to Y181bn ($775m) as at the end of September, up 5.6 times on the March 1981 level to compensate for dwindling demand on the banks for funds from Japanese businesses amid the prolonged recession.

The MoF will call on banks through a written notice more strictly to restrain themselves from lending money to Sarakin.

Zim Navigation profit slips

BY L. DANIEL IN TEL AVIV

ZIM ISRAEL Navigation Company came through 1982 "with its head above water," having finished the year with an after-tax profit of $3.2m on turnover of $726m.

Although the profit was less than one-third of the $10.4m chalked up in 1981, the company considers it a major achievement, according to Mr Y. Rotem, the general manager. The 1982 balance sheet of $672m was 9.4 per cent larger than in the previous year and, despite the shipping slump, Zim increased its working capital by $28m.

While shipping operations resulted in a loss of about $8m, this was more than offset by other income, including the sale of four old ships for $3.5m. The sales were part of the company's continuing modernisation programme and were not in the nature of a rescue operation, according to the company.

Zim last year took delivery of 10 new vessels as part of its programme to update its fleet.

Zim carried 10 per cent more cargo than in 1981, including 340,000 containers worldwide, against 320,000 in 1981. Zim now has 100 ships and charters.

The company's main shareholders are the Israel Corporation with 50 per cent, the Israeli Government (40 per cent) and the Labour Federation.

Record loss at Paper Industries

BY EMILIA TAGAZA IN MANILA

SPIRALLING operating costs and higher financing charges have combined to push losses to record levels at Paper Industries Corporation of the Philippines (Picop), the country's largest integrated timber and paper products concern. Mr Andres Soriano, Picop's chief executive, reported that 1982 losses reached a staggering 308.2m Philippine pesos (U.S.$32m), 12 per cent higher than the net loss of 275m pesos in 1981.

Mr Soriano also attributed the losses to the continuing depressed market for the company's timber and paper products.

Picop started incurring losses in 1980 after a massive reforestation and expansion programme that was financed substantially by short-term, high-interest loans. However, global recessionary pressure weakened demand for Picop's products and profits from reduced sales were eaten up by financing costs.

Being a vital local industry, Picop was financially "rescued" by the Government's investment arm, the National Development Company through a major equity injection. The move has made NDC Picop's largest stockholder replacing San Miguel Corporation, the country's largest private corporation. Picop was also helped by a special loan from the state-owned Philippine National Bank.

● San Miguel, the beer-based conglomerate which is the Philippines' largest corporation, reported net income for 1982 of 310m Philippine pesos (U.S.$32.3m). This was 9.7 per cent up on the previous year's profit of 283m pesos.

Turnover was reported to have been 9.7 per cent higher at 5.48bn pesos (U.S.$571m), thanks to an increase in beer sales that resulted from an intensified advertising campaign.

Merged Tongaat-Hulett falls short of forecast

BY OUR JOHANNESBURG CORRESPONDENT

TONGAAT-HULETT, the diversified South African sugar, textiles, building materials, and foods group, suffered an after-tax profit reduction to R67.3m in the year to March 31. In the preceding year the aggregate proforma consolidated after-tax-profit of the then separate Tongaat and Huletts companies was R79.6m.

The directors have little to say on the reasons for the profit deterioration but the sugar division, which generally contributes about one-third of profits, has been hurt by low raw sugar prices and the drought. The textile division has been hit by lower consumer spending but the building materials and food divisions have held up well.

Earnings were 116.1 cents a share against a forecast of 138 cents a share made when Tongaat and Huletts announced their merger plans in 1982. A dividend total of 58 cents has been declared.

Zimbabwe steel producer plans major expansion

BY TONY HAWKINS IN HARARE

ZIMBABWE'S state-controlled steel producer, Zisco, is planning a major expansion of output according to Mr Kurt Kuhn, the managing director.

Mr Kuhn said in a recent interview here that output had already been raised 20 per cent to 700,000 tonnes a year, but that this was still far below the Redcliff plant's capacity level of 1m tonnes. He declined to give details of the corporation's losses, but hinted that these would average Z$1.5m (US$1.45m) a month.

The main problems were the slump in world demand and prices and the loss of skilled manpower, both black and white, from the steel plant. Mr Kuhn said that despite these difficulties, Zisco was still a major source of foreign exchange.

Zisco claims it is one of only a few steel plants in the world that does not receive direct or indirect steel subsidies. However, critics point out that it is unrealistic to expect a third-world steel producer, operating in a landlocked country with very high transport costs, to operate viably on the basis of exporting 80 per cent of its output.

ICI more than doubled to £128m at three months

FOLLOWING a drop in final quarter 1982 pre-tax profits, Imperial Chemical Industries has come back with £128m for the first three months of 1983, more than double the comparative £62m last year. Sales went over the £2bn mark at £2.02bn, against *£1.78bn.*

For the whole of 1982 pre-tax profits were £76m lower at £259m with a final quarter contribution of £56m, against £114m.

The directors say that all of the company's major chemical businesses performed better than during the previous quarter with improvement being mainly in Western Europe.

Elsewhere, business remained flat. However, particularly good results were achieved in pharmaceuticals and agriculture while the loss in petro-chemicals and plastics worldwide was held to £10m as a result of lower naphtha costs and improved exchange rates.

However, underlying over-*capacity problems in commodity* chemicals still continue and prices remain inadequate, the directors point out. Group's fibres and organic chemicals businesses traded at near break-even for the three months.

Favourable rates of exchange accounted for some £40m of the £72m difference between final and first quarter profits, of which about half arose from the settlement of export sales made *in earlier periods, directors state.*

The remaining improvement *in group profits was due prin*cipally to higher volume of sales, directors say, particularly in March, which is a seasonally strong month.

Pre-tax figure was after depreciation of £105m, compared with £96m. Tax charge was £49m (£26m), minorities took £5m (£6m) leaving a balance of £74m against £30m.

Earnings per £1 share are given as 12.3p, compared with 5.1p.

See Lex

HIGHLIGHTS

Lex today looks at ICI which has reported its best first-quarter pre-tax profits since the first three months of 1980 with a rise over the final quarter of last year from £56m to £128m. The column considers the new index-linked stock which is convertible into long-dated conventional gilt edged stock. It goes on to examine 1982 figures from Geo. Wimpey where profit rose £3m to £45.7m despite a near £15m drop in contribution from associates. Also discussed is John Laing's full-year setback from £6.2m to £1.3m where some overseas operations led to a total £18m losses above and below the line. Further the column examines 1982 results from Blue Circle Industries, where profits fell from £104m to £90m after troubles in Mexico and Chile, and from House of Fraser.

Hawley offshoot calls for £10m

Electro - Protective, the new parent of Electro-Protective Corporation of America, the London-quoted subsidiary of the Hawley Group, is calling on shareholders for approximately £10m via a rights issue on a one-for-five basis.

Explaining their reasons for the issue the directors say the group is planning further expansion and to facilitate this they considered its capital base should be broadened and its bank borrowings eliminated, including those incurred in connection with the recent acquisition of four central stations in Ohio.

The issue is not being underwritten as the directors do not consider it to be necessary. The new common shares will be offered to holders of both the existing common shares and the existing 7 per cent cumulative preference shares at 155p per share, payable in full.

Hawley Group, which owns some 54 per cent of Electro-Protective, *intends* to take up its rights in respect of 2.08m new shares and has made arrangements with the brokers to the issue, L. Messel & Co, to place the remaining 1.42m shares to which it would become entitled.

Following the placing Hawley's *interest in the company would* be approximately 50.02 per cent.

The UK-owned group, with activities in security systems, provides central station alarm services for around 20,000 customers in 14 American cities.

● comment

The growing insistence of U.S. *insurance companies that their* clients install elaborate security and monitoring systems has been the main factor behind Electro-Protective's accelerating growth, as part of the Michael Ashcroft empire over the last 18 months. The number of its clients concentrated on the Eastern seaboard has risen from 15,000 to *20,000 over the last year and* its workforce has been boosted from 400 to about 550. Analysts are expecting pre-tax profits this year of about $7.8m, which will be subject to a tax charge, at the state level only, of about 3 per cent. No other substantial UK or U.S. tax is likely to be imposed over the next few years. *The company is now poised to* move out of its Eastern base and to expand its lower margin mass volume manufacturing activities, which currently account for about 35 per cent of turnover. With a negligible tax offset and the stock market ratings for security companies at frothy heights, the case for financing *the planned acquisitions* by a rights issue rather than by borrowing was overwhelming.

George Wimpey ends year ahead by £3m at £45.7m

DESPITE a slight dip at halfway from £6.4m to £6.2m, taxable profits of construction engineer George Wimpey finished 1982 ahead by £3m at £45.7m.

Sales expanded by £139m to £1.24bn for the 12 months and with a final payment of 2.15p (1.95p) net per 25p share, the total dividend is increased to 3p, against 2.8p. Also proposed is a 1-for-10 scrip issue.

Sir Reginald Smith, chairman, says there is no doubt that there is real evidence of a recovery in the group's industry, which is particularly evident in the UK where legal completions of Wimpey homes were 30 per cent better at the end of March, compared with the same period last year.

"With good bookings and continued investment in housing and property at home and in the U.S., we view the future with greater confidence," he states.

Profit of the subsidiaries *shows a very healthy increase.* In the UK, legal completions of private houses increased by 15 per cent to 8,400, during the year, while elsewhere, and particularly in the U.S., house sales were satisfactory.

Although the construction and civil engineering market is very competitive the company succeeded in increasing both turnover and profit in these activities, Sir Reginald says.

In other areas the company made considerable progress in waste management, marine, and other contracting activities and these gains more than compensated for the "very disappointing results" in Canada, where the market was very depressed.

Pre-tax figure was after interest charges, much lower at £10.8m, compared with £17.1m. Tax charge was £7.4m, against a £6m credit, and after minorities, £0.3m credit (£0.1m debit) the available balance came through £100m down at £38.6m.

Dividends will absorb £7.7m (£7.2m) leaving £30.9m (£41.4m) retained, and earnings per share are shown at 15.1p (19p).

Group operating profits amounted to £55.7m, compared with £44.6m, to which is added much lower associates share of £0.8m, against £15.2m.

The chairman explains that although in recent years the group has enjoyed good profits from its contracting and engineering associates, during the last two years the reduction in demand for oil and other aspects *of the world recession* have greatly increased competition particularly in the Middle aEst.

These factors, together with the completion of very large contracts in 1981, have contributed to the significant reduction in the group's share of associates profits, he says.

On interest costs, the directors consider it would be more prudent to follow the UK practice of charging interest cost to profit in the year when the cost is incurred. Accordingly in the group accounts the accumulated interest costs in inventory of £22.6m have been written off to group reserves on consolidation. Effect of this on group profits in 1982 was a reduction of £2.8m and profit for 1981 has been restated and reduced by £1.5m.

The directors say that under accounting standards companies are required to consolidate their share of reserves of associates including surpluses on revaluation of fixed assets. However, the directors have noted that in practice the market value of listed property companies falls short of their accumulated share capital and reserves.

This shortfall has recently been about 40 per cent and in computing the market value and on the grounds of prudence, this discount will be applied to the group's share of Oldham and Euston and other associates, directors state.

Accordingly the amount taken into revaluation of Oldham will be £32.6m and of Euston and other property associates £40m.

The investment property revaluation will be included in the 1982 balance sheet and shows investments at cost of £136.2m, revaluation surplus £94.7m and balance sheet value £230.9m.

If the group took full account of its share of shareholders' funds in Oldham and its share of the capital surpluses in associations the amount of the total revaluation surpluses would have been £143.1m, but the discount of 40 per cent of the investments reduced the total to £94.7m.

Grove Charity Management holds 49.9 per cent of ordinary shares.

See Lex

Tricentrol first quarter decline

PRE-TAX income of Tricentrol, at £11.3m for the first three months of 1983, was £1.3m lower than for the corresponding period last year and £0.9m down on the figure for the final quarter of 1982.

Sales for three months rose from £26.6m to £29.5m to which other income added £1.2m, compared with £0.7m—the group's interests include the exploration of oil, gas and minerals.

Pre-tax figures, which were struck after total costs and expenses of £19.4m (£14.7m), were subject to PRT and supplementary taxes of £6m (£8.3m), which left the net balance £1m ahead at £5.3m.

Net income per 25p share is given as 6.3p (6.7p) and cash flow per share as 23.2p (28.1p).

Over the three months the group's share of production from the Thistle Field in the North Sea totalled 1.02m barrels of crude oil, compared with 1.16m previously.

A geographical breakdown of group sales and operating income, unchanged at £13.4m, shows: UK £20.9m (£21.2m) and £10.7m (£11.5m), U.S. £4.8m (£3.1m) and £0.3m (£1m) and Canada £3.8m (£2.3m) and £1.8m (£0.9m). Oil trading income *added £0.6m this time.*

The directors say that as leader of the Dorset Bidding Group, with a 35 per cent interest, Tricentrol has entered into discussions for the purchase of the British Gas Corporation's 50 per cent interest in onshore production licence PL089, which includes the Wytch Farm oil-field.

In July 1981 the group de-merged its non-oil and gas operations by means of an issue of one share in Combined Technologies Corporation for each Tricentrol share held.

Group pre-tax income for 1982 was the same as that of the previous year at £45.9m.

● comment

As production starts declining at the huge Thistle North Sea field, Tricentrol has been concentrating its efforts and expenditure on exploration in the UK, North America and smaller interests in Sicily and the Far East. That, coupled with *a £1.6m depletion cost accounts* for the big increase in costs and expenses from £14.7m to £19.4m. Tricentrol has reduced its petroleum tax payments by £2.3m even before the benefits of the Budget concessions, because of declining revenue from Thistle. Buchan should start bringing in cash in the second quarter though it will be *sometime* before it will contribute substantially to income. Net liquid funds stand at £70m and will rise during the year. That includes £25m cash in band. Tricentrol has adequate facilities to pay for its stake in Wytch Farm. It seems to have a cycle of raising funds through issues every two to three years, so shareholders already concerned about earnings dilution, can probably rest easy—at least for this year. The shares up 6p at 186p brings the historic yield to 6.4 per cent.

Five Oaks £72,931 in the red

Five Oaks Investments fell £72,931 into the red at the pre-tax level in the six months ended December 31 1982 compared with profits of £78,997 for the *corresponding half year in 1981.*

Loss per 5p share emerged at 1.69p (1.57p earnings)—all comparisons have been restated to include dividends and related tax which were declared and paid subsequently.

The group is engaged in a small number of relatively large development transactions and profits tend to be unevenly distributed in time, the directors say.

Subsequent completed transactions have improved the outlook for the second half and they are hopeful that the situation will be restored for the full year, when the results of further current negotiations are known.

The group is involved in property development and investment. At the AGM in November the chairman said that rationalisation of the old secondary portfolio had been completed although opportunities might arise in the future to deal in parts of the remaining portfolio.

He added that the group was continuing to seek prime properties which attract steady demand from institutions and tenants.

Hunting Associated down to £4.4m as forecast

A DISAPPOINTING year and difficult trading conditions caused a marked fall in pre-tax profits at Hunting Associated Industries from £6.4m to £4.37m for 1982 with a sharp downturn *in North America.* Turnover of this aviation support, engineering, resource surveys and photography group was little changed at £169.47m against £170.57m.

There is not yet any certainty say the directors that this year will see a substantial upturn in the world economy from which the group would benefit, although there are some tentative signs of a quickening of activity.

They say they have taken some steps to eliminate loss-making areas which damaged results in 1982 and state that the base for the current year is sounder.

The net final dividend has been held at 2.5p which maintains the total at 5p. Basic earnings per 25p share are given as falling from 34.42p to 20.35p, and on a diluted basis from 25.82p to 15.26p.

At the end of 1982 Hunting Engineering's position as prime contractor for the production phase of JP233 was announced *and the build-up of the production* arrangements is now well in hand, say the directors. Arrangements for the production of LAW 80 also have begun. These two production programmes will make important contributions through to the late 1980s.

The lower results were much as foreshadowed in their interim statement, the directors say. In Hunting Industrial Plastics and the manufacturing division of Field Aviation, both in the UK, it was decided that the difficultes were insurmountable and these facilities were shut down.

In the Canadian and UK aviation support companies capacity proved to be far in excess of demand with attendant losses. These were particularly heavy in Canada where the weakening of the dollar pound exchange rate exacerbated the reported loss in UK terms.

Our defence related and resources survey activities continued to prosper.

At the halfway stage pre-tax profits slipped from £2.21m to £2.13m and the directors said that they did not expect profits for the second half to be greatly in excess of those for the first six months.

At the trading level profits slipped from £8.11m to £7.28m.

Laing hit by overseas provisions

DESPITE a surge in trading surplus from £6.19m to £14.7m, taxable profits of construction engineer John Laing slumped by £4.84m to £1.35m in 1982.

This follows exceptional costs *of £13.35m (nil) comprising* provisions of £4.8m for losses arising from possible non-recovery of contractual debts in the Middle East and £8.55m for losses on discontinued activities in Venezuela.

However, even though there was a fall from stated earnings per 25p share of 14.7p to losses *of 4.5p, the year's dividend is* being maintained at 2.875p net, with a same again final of 1.875p.

Overseas trading losses increased from £1.28m to £2.59m, while in the UK profits advanced from £10.96m to £21.41m. A breakdown of the UK surplus shows: building and engineering £14.08m (£8.03m); homes and *other developments* £5.18m (£2.72m); products and other trading £2.14m (£216,000).

Mr L. J. Holliday, chairman, says that from July 1982 onwards it had become increasingly clear that there were serious problems in Venezuela and Spain and that information from these countries had been unreliable.

Investigations revealed significant losses, including the share of loss created by the Venezuelan Government's virtual abandonment of the dam construction project at Yacambu. Heavy interest costs were incurred, and the weakness of both the Venezuelan and Spanish currencies resulted in a deficit on foreign currency translation which were included in extraordinary items.

These also included provision *for the costs of reducing* operations in Venezuela and of reorganisation in Spain. The aggregate amount of losses and provisions in these two countries in 1982 is some £18m.

Operations in Venezuela and Spain are now controlled by reliable and able staff, Mr Holliday says. It is believed *that they have uncovered* all major problems and that appropriate provisions have been made but, bearing in mind the type of problems found in Venezuela, it is not yet possible to be 100 per cent sure, he adds.

In spite of the exceptional difficulties of 1982, net liquid funds improved by £13.8m. At the end of the year there were cash balances of £50m, against borrowings of £26.2m.

Concluding his statement, Mr Holliday says: "The unexpected difficulties we have encountered in 1982 have clouded the many good things we have achieved. But for these difficulties we would have been declaring a substantial improvement in profit.

"The action taken during the year, coupled with our high degree of liquidity and a good order book, enabled us to approach 1983 with confidence, which is justified by indications of results so far.

"We have a most able team, and I am confident that their professional skills, and the tremendous enthusiasm which they have shown in their work both at home and overseas, will ensure future success and the continuing high regard in which the company is held."

Turnover increased from £718.9m to £773.?m, including £164.2m (£154.6m) from overseas. Taxable profits were struck after interest payable of £4.12m (£3.5m).

Tax took £3.68m (credit £1.58m) and after minority debits of £71,000 (credits £196,000) and extraordinary debits of £5.86m (credits £464,000) attributable losses came to £8.26m (profits £8.38m). Dividends absorb £1.54m (same) leaving a retained deficit of £9.8m (surplus £6.84m).

The extraordinary debits comprised a deficit on the translation of foreign currencies of £1.51m, losses on the disposal of and amounts written off investments in subsidiaries and associates of £1.07m and redundancies and other reorganisation costs of £3.2?m.

Current cost adjustments reduced the taxable profits to £31,000 (£3.25m) and increased losses per share to 6.9p (earnings 9.4p).

See Lex

Improvement at Aero Needles

THE improved performance of the first half at Aero Needles Group has continued to the end of the year with profits before tax amounting to £262,726 against previous losses of £557,361. Turnover of this maker of needles and general smallwares improved from £8.4m to £9.24m.

At the half-way stage pre-tax profits of £50,000 were shown against losses of £160,847.

With manufacturing methods supported by better management controls, the company aims to increase competitiveness in a difficult climate, say the directors. As part of its strategic plan, the company has been able to release for sale Victoria Works and an old part of Clive Works. The sale will have a material effect on the company's financing.

Profits for 1982 include a first time contribution from the acqui*sition of the remaining* 50 per cent of Aero Needles (Australia) Pty and a special non-recurring surplus from the planned reduction of the Australian company's stock of £75,976. There is also an extraordinary surplus of £46,271 from the sale of Priory Mill, Studley, and a small manufacturing facility in the UK.

Severe action taken last year, which was reflected by the substantial amounts provided in 1981 for re-organisation and re-structuring, has helped the company to strengthen its position, the directors say.

Pre-tax profits were struck after exceptional credits of £75,976 this time against previous debits of £423,000. Tax amounted to £25,179 (nil) after which there were extraordinary credits of £46,271 compared with debits of £108,000. Earnings per 25p share were shown as 3.88p against losses of 15.06p after preference dividend arrears.

The interim results reported last September enabled the directors to recommend payment of dividends and all arrears to the holders of A and B preference capital.

The directors say there is still much to achieve in 1983 and they have decided to start a gradual programme of reducing the arrears of dividend on the 11 per cent cumulative conver*tible redeemable preference* shares by the payment of one half year's dividend amounting to £29,400. With the current rate of advance corporation tax, this gives a total cost of £42,000. The first payment will be made on July 1, 1983.

Upsurge at S. Simpson

Sharply higher pre-tax profits of £373,000, compared with £235,000, are reported by S. Simpson, tailor and clothier, for the six months ended January 31 1983. Turnover advanced from £11.16m to £13.12m.

Mr S. L. Simpson, the chairman, says the improving trend is continuing.

The net interim dividend is held at 1.3125p per 25p share—a final of 2.1875 was paid for 1981-1982 from taxable profits of £402,000 (£159,000 loss).

Tax for the opening period of the current year took £120,000 (£80,000).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Blue Circle	12.25	July 1	11.75	18.25	17.5
Boosey & Hawkes	2.3	—	nil	2.3	1.9
Border Breweries	3.9	July 5	3.8	5.3	5.2
Brit. Assets ......2nd int	1.2	July 4	1.1	—	4.55
Davies & Newman	7	July 30	3	10	3
Downiebrae	0.3	July 1	nil	0.3	nil
Farnell Electronics	1.25	July 1	1.1	2	1.55
Francis Inds	1	July 5	3	2	5
House of Fraser	5.5	July 8	5	7.5	7
Hunting Assoc.	2.5	July 28	2.5	5	5
John Laing	1.88	—	1.88	2.88	2.88
Office and Electronic	5	July 4	5	7.5	7.5
Platignum	nil	—	0.01	nil	0.01
Pochin's ......int.	0.88	July 1	0.88	—	9
Samuel Properties int.	1.43	June 30	1.3	—	4.6
Silentnight	1.5	—	1.5*	2.5	2.5*
S. Simpson ......int.	1.31	July 1	1.31	—	3.5
Whatman Reeve	3.8	—	3.2	6	5
George Wimpey	2.15	July 1	1.95	3	2.8
Wire & Plastic	1.05	—	1.22	1.9	2.07
Yule Catto	2	July 5	1.5	3	2.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.8	7.8	10.2
158	117	Ass. Brit. Ind. CULS	152	—	10.0	6.6	—	—
74	57	Airsprung Group	62xd	—	6.1	9.8	17.7	17.7
46	30	Armitage & Rhodes	30	—	4.3	14.3	3.3	5.9
325	197	Bardon Hill	325	—	11.4	3.5	13.7	17.2
144	100	CCL 11pc Conv. Pref.	144	—	15.7	10.9	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	50	Deborah Services	50	−1	6.0	12.0	3.3	6.9
97	77	Frank Horsell	97	—	—	—	8.1	8.7
95½	75½	Frank Horsell Pr Ord 87	95½	—	8.7	9.1	10.6	11.4
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.9	12.3
100	*74*	*Ind. Precision Castings*	*77*	*−1*	*7.3*	*9.5*	*9.9*	*12.4*
166	100	Isis Conv. Pref.	166	—	16.7	9.5	—	—
146	94	Jackson Group	146	+1	7.5	5.1	4.5	9.3
214	111	James Burrough	214	—	9.6	4.5	15.6	17.4
260	148	Robert Jenkins	152	—	20.0	13.2	1.7	24.1
83	54	Scruttons "A"	69	−1	5.7	8.3	9.0	10.8
167	112	Torday & Carlisle	114	−1	11.4	10.0	6.1	8.8
29	21	Unilock Holdings	26	—	0.46	1.8	—	—
85	64	Walter Alexander	66	−1	6.4	9.7	4.7	6.8
270	214	W. S. Yeates	265	—	17.1	6.5	4.1	8.5

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UK COMPANY NEWS

Blue Circle profits hit by devaluations

HIT BY currency devaluations in Mexico and Chile, which with economic problems in those countries have reduced profits from the Americas by £37m, the taxable surplus of Blue Circle Industries, cement manufacturer, finished 1982 £14.1m down at £90m.

The group was £3m behind at the midway stage at £48.1m and in February the directors warned that second half profits from overseas would be affected by the currency devaluations in Mexico and Chile.

Group turnover for the 12 months moved ahead from £750.2m to £785.2m and the dividend is lifted to 18.25p (17.5p) net with a final distribution of 12.25p. Earnings per £1 share are higher at 52.6p (48.1p) after much lower tax of £23.2m, compared with £44.4m.

A geographical analysis of trading profits, including associates share, amounting to £100.3m (£120.8m) shows: UK and Ireland £42.5m (£33.9m); Australasia £8.2m (£9.1m); Africa £28.2m (£25.9m); the Americas £7.8m (£44.8m); Asia and the Middle East £13.6m (£7.1m).

UK profits showed a 25 per cent increase as a result of an almost 4 per cent increase in home trade cement deliveries to 7.19m tonnes (6.93m tonnes) and substantial cost savings, the directors state. Benefits are now being felt of reduced manning and more efficient production and distribution.

Trading profits of Armitage Shanks, after charging current cost depreciation, increased to £6.9m (£6.3m) and included a contribution from the Kilgore subsidiary in the U.S. which was acquired during the year.

Malaysia, Nigeria and Australia showed substantial profit growth, which helped to offset the sharp decline in Mexico and Chile.

Apart from the impact of currency devaluations, the trading situation in Mexico showed some deterioration towards the end of the year, while in Chile demand fell substantially. The net effect of exchange rates movements was to reduce profits by £15m.

Sir Rowland Wright, chairman, yesterday turned down speculation in the City that the group has a major cash-raising rights issue in the pipeline: "There is no such thing in mind," he stated.

He said that Mexico accounted for about two-thirds of the £37m profits setback from the Americas. So far this year, cement volume in Mexico has dropped some 11 per cent, but the impact of this in local currency terms had been offset by two price increases together amounting to almost 100 per cent so far this year. A further increase of some 20 per cent in prices is expected in June.

No dramatic upturn is being looked for from Mexico in result terms this year: "We have to look over a two-year period to restore the sort of margins we had in 1981," the chairman said.

Volume halved in Chile last year although in sterling terms they remained in profit. This year started better than anticipated, but the chairman said volume will again be affected by seasonal swing.

Apart from associates share, the pre-tax figure for 1982 was after depreciation of £54.6m (£51.3m) and interest payable, much higher at £10.3m, against £3.6m. There was also an exceptional debit, last time, of £13.1m.

After the lower tax charge, minorities of £10.9m (£8.6m) and an extraordinary credit of £17m (£4.2m debit), attributable profits came out much higher at £72.9m, compared with £46.9m.

The extraordinary items comprised the profit on the sale of Blue Circle Aggregates of £15.7m, together with net gains on the disposal of other investments of £1.9m, and £0.6m losses on plant closures.

Dividends will absorb £19.4m (£18.6m) leaving £53.5m (£28.3m) retained.

See Lex

Silentnight recovery in second half

A STRONG recovery in the second six months enabled Silentnight Holdings to more than make up the £576,000 first half profits shortfall and finish the 52 weeks ended January 31 last with a record £5.23m pre-tax, a marginal improvement over the previous year's £5.11m.

Mr Tom Clarke, the chairman, says he expects the results for the opening half of the current year to be ahead of the comparable period of 1982-83.

Meanwhile, the dividend for the past year is being effectively maintained at 2.5p net by a final payment of 1.5p—earnings per 10p share emerged at 10p, against 10.6p.

Turnover of the group, which is involved in the manufacture of beds, upholstery and furniture, expanded from £72.79m to £77.27m and profit on trading totalled £5.42m (£4.78m).

Pre-tax profits were struck after taking account of interest charges of £192,000, compared with a previous credit of £335,000. Tax charge rose from £334,000 to £730,000, leaving available profits at £4.51m (£4.78m.)

Retained surplus amounted to £3.37m (£3.65m) after dividend payments the same at £1.13m.

BSR rights

Of the 38.38m new ordinary *shares of BSR offered by way of* rights, more than 98 per cent have been taken up, while those not taken up have been sold. The excess over the subscription price of approximately 40.99p a share will be distributed to the provisional allottees originally entitled thereto.

Turnround forecast by Platignum

IN A year which saw its listing suspended for almost a month, Platignum fell deeper in the red, and by the end of January 1983 pre-tax losses increased from £816,000 to £860,000, after an *exceptional debit this time of* £246,000.

No ordinary dividend is being paid—last year there was a nominal payment of 0.01p, and the preference dividend, due on May 1, will not be paid.

The directors say that although the company, which manufactures writing instruments and plastic mouldings, experienced an upturn in the *spring of* 1982, the year as a whole was extremely difficult. It is now seeing the fruits of the many developments undertaken during the year—a period during which substantial sums were invested in reorganisation and product development, and when further economies were effected.

The company's new products and packaging have been shown on time at UK and international trade fairs and have been acclaimed and accepted by the trade.

They say sales in the first quarter of 1983 are more than 10 per cent up on last year.

The R. P. Collier (Holdings) group, the marketing services division, has exceeded its warranted profits for its first 12-month period.

The directors say actions taken in the past should produce substantial turnround during the current financial year, and they feel the company is "well poised" to take advantage, not only of existing conditions, but of any future economic upturn.

Sales for the year to January 31 1983 were down from £7.74m to £7.41m. *There was a tax* credit of £149,000 (£383,000) and an extraordinary debit of £145,000 (nil), leaving an attributable loss of £856,000 (£232,000). On a CCA basis, the pre-tax loss was £917,000 (£866,000).

Audio Fidelity trims losses by £10,000

Difficult problems continue in the retail division at Audio Fidelty, and measures have been taken which the directors hope will improve the situation in the next financial year.

Group losses for the half-year to October 31 1982 were some *£10,000 less at £179,487.* The previous year's figure of £189,509 included a minorities credit of £2,076. No tax was again payable.

Rationalisation of the manufacturing division is taking longer than anticipated, say the directors, and benefits will be only marginally reflected in the current year.

The usual seasonal upturn in trading has taken place in the second half year to date.

Group turnover of this close company for the first half was down from £1.71m to £1.6m

Hawkins and Tipson deficit lower midterm

REDUCED attributable losses of £57,000 against £557,000 have been shown by Hawkins and Tipson for the first six months to the end of February 1983. At the annual meeting the directors expected a "marked improvement" in performance and they now state that they expect further "significant improvement" in profit before interest and tax in the second half.

Turnover of this rope and furniture maker slipped from £8.22m to £6.79m.

Sales for the previous first half include discontinued businesses, including the loss making wire division. On a comparable basis the directors state that first-half sales are 3 per cent up on the previous first half. Selling prices, they say, showed little change.

For the period under review, sales in the leisure products division significantly improved over last year, while the rope division's sales were lower due to withdrawal from certain unrewarding markets. This latter change reduced exports to 23 per cent of total sales, compared with an average of 35 per cent for the year to August 1982.

Further rationalisation of production, which will be completed at Hailsham this year, is expected to release 15 acres of land zoned for industrial use as surplus to the group's long-term requirements.

Interest charges for the six months took £150,000 (£210,000). There was again no tax, and losses per 25p share emerged down from 6.42p to 0.66p.

Marley UK side exceeds expectations

As far as the UK subsidiaries of Marley were concerned, the results for the first three months exceeded expectations Mr J. E. Aisher, chairman, told shareholders at the AGM.

Overseas the results were lower than anticipated—trading conditions in Ireland and France were particularly difficult and were likely to remain so for some time.

However, he said, the plastics operations in the U.S. had shown some improvement and the indications were that this would continue.

Overall the company was on course for a much better year he concluded.

RESULTS AND ACCOUNTS IN BRIEF

COLEMAN MILNE (car conversion USM subsidiary of Hawley Group)—*Results for 1982: Turnover £4.29m* (£3.32m. Pre-tax profits £418,000 (£344,000). Tax £129,000 (nil). Dividends £75,000 (£450,000) leaving £214,000 (£106,000 loss) retained. Earnings per share 6.34p (6.26p).

EXCO INTERNATIONAL (money broker)—Results for 1982 already known. Shareholders' funds £32.49m (£20.2m); fixed assets £6.25m (£4.77m); net current liabilities £1.86m (assets £1.47m); decrease in working capital £10.21m (increase £14.26m). Chairman says the outlook for 1983 is good. Money and bullion broking have started the year well. Turnover *and profits in Telerate have continued* to grow at an impressive rate. Meeting: Merchant Taylor's Hall, 30, Threadneedle Street, EC, on June 13 at 11.30 am.

ROYAL WORCESTER (china, earthenware and electronics)—Results for the year to January 1, 1983 reported April 14. Group shareholders' funds £19.78m (£18.99m). Fixed assets £8.5m (£7.91m). Net current assets £12.5m (£13.68m). Meeting, Brown's Hotel, W, May 17 noon.

NMW COMPUTERS—Results for 1982 already known. Shareholders' funds £1.6m (£1.37m); fixed assets £1.29m *(£1.44m)*; current assets £1.91m (£1.18m), including investments £498,009 (nil) and debtors and prepayments £324,732 (£198,550); current liabilities £1.44m (£921,329); increase in working capital £28,061 (£135,927). Meeting: Nantwich, Cheshire, May 18, at noon.

HUNTING PETROLEUM SERVICES—Results for 1982 reported April 16. Group shareholders' funds £17.12m (£12.3m). Fixed assets £28.37m (£19.93m). Net current assets £2.34m (£835,000). Increase in working capital £8.34m (£3.64m). Chairman does not expect current year results to match those of 1982. Meeting: 243 Knightsbridge, SW, June 6, 12.30 pm.

SHARPE & FISHER (builders' merchant and DIY stores group)—Results for 1982 reported on March 21 1983. Shareholders' funds £8.56m (£8.02m); fixed assets £4.87m (£4.38m); current assets £11.09m (£8.63m); current liabilities £7.51m (£5.09m); net current assets £3.58m (£3.65m). Decrease in *net liquid funds £1.35m (£918,000).* Meeting, Cheltenham: May 19, at noon.

PLANET GROUP (manufacturer of doors and windows)—Results for 1982 reported with prospects on March 31 1983. Shareholders' funds £4.01m (£3.97m); net current assets £2.57m (£2.46m); fixed assets £4.17m (£4.17m); increase in working capital £297,000 (£1.64m). Compensation for loss of office £12,000 (nil). Meeting: Birmingham, May 18, at noon.

NEW AUSTRALIA INVESTMENT TRUST—For six months to March 31, 1983: Interim dividend nil (same); profit on ordinary activities before tax £128,110; tax £62,351; stated earnings per 50p share 1.32p; net asset value per share 69.9p. Directors say that since *March 31 Australian stock* market and company's net asset value have both risen strongly.

DUNTON GROUP (civil engineer)—Turnover for six months to November 30, 1982, was £815,880 (£352,332) and pre-tax profits £42,790 (£7,158); tax £17,217 (nil), extraordinary debit £7,500 (£4,872) being part of formation costs. The balance of this item is now estimated at around £60,000. It was originally intended to be written-off over five years but due to new accounting practices now has to be written-off in current year. Earnings per 5p share 0.06p (same). Company's shares traded on USM.

THE EAST LANCASHIRE PAPER GROUP p.l.c.

- Reasonable first half but demand evaporated in August 1982 causing a poor second half.
- 1983 has started with a surge of orders, taking the order book to its highest level since 1981.
- Confidence in a general economic recovery needs *to return before our results will fully show the effect* of realistic prices.

The year in brief	1982	1981
	£'000	£'000
Turnover	44,878	43,354
Profit before taxation	532	569
Distributable profit	185	92
Ordinary dividends	191	191
Earnings per share	7.8p	7.3p
Dividend per share	3.5p	3.5p

Copies of the Annual Report and Accounts can be obtained from the Company Secretary, The East Lancashire Paper Group p.l.c., Church Street East, Radcliffe, Manchester M26 9PR.

FIVE OAKS INVESTMENTS PLC

INTERIM REPORT TO 31ST DECEMBER, 1982

The unaudited accounts of the Group for the six months ended 31st December, 1982, show the following results:—

	Six months to 31st December 1982 £	*Six months to* 31st December 1981 £
Group Turnover	2,352,434	954,257
Group profit/(loss) before taxation	(72,931)	78,997
Taxation	(1,739)	(1,739)
Profit/(loss) after taxation	(74,670)	77,258
Extraordinary items	—	(10,645)
Profit/(loss) attributable to the Group	(74,670)	66,613
Preference dividends	4,057	4,057
Earnings/(deficit) per share	(1.69p)	1.57p

The comparative figures for the half year to 31st December, 1981, have been restated to include the dividends and related taxation which were declared and paid subsequently. These have been extracted from the accounts to 30th June, 1982, which have been filed with the registrar of companies and on which the auditors have given an unqualified report. No ordinary dividend is recommended.

Chairman's Statement

The Group is engaged in a small number of relatively large development transactions, and profits tend to be unevenly distributed in time. This is demonstrated by the results for the first half year. Subsequent completed transactions have improved the outlook for the second half year, and I am hopeful that the situation will be restored for the full year, when the results of further current negotiations are known.

J. E. BROWN, Chairman

Viking Resources International N.V.

Curaçao, Netherlands Antilles

In the Annual General Meeting of Shareholders held on 28th April, 1983 a cash dividend of US$ 0,82 per ordinary share was declared payable *as from 8th May, 1983 on the ordinary shares* against delivery of dividend coupon nr. 11 with

Pierson, Heldring & Pierson N.V.
Herengracht 214
Amsterdam

Williams & Glyn's Bank plc

US$25,000,000 8¼% Guaranteed Capital Bonds 1987

The Company announces that the redemption instalment of US$1,750,000 principal amount of Bonds due on 1st June, 1983 has been made by purchases in the market to the nominal value of US$1,108,000 and by a Drawing of Bonds to the nominal value of US$642,000.

The distinctive numbers of the Bonds drawn in the presence of a notary public are as follows:-

38	1642	3002	6351	7016	8157	9297	10605	11893	13088	14544	16284	18346	19866	21548	22251
59	1651	3072	6360	7085	8198	9318	10642	11912	13061	14581	16368	18372	20002	21565	22257
93	1653	3207	6365	7050	8210	9324	10644	11928	13093	14625	16495	18410	20014	21583	22262
217	1678	3260	6381	7071	8268	9368	10740	11971	13144	14664	16512	18456	20052	21606	22269
238	1688	3316	6356	7181	8289	9387	10786	11989	[illegible]	14716	16545	18501	20091	21609	22272
330	1705	3369	6405	7134	8318	9412	10769	12019	[illegible]	14748	16578	18541	20118	[illegible]	[illegible]
332	1726	4281	6426	7160	8363	9431	10780	12038	13272	14773	16602	18590	20131	[illegible]	[illegible]
407	1875	4298	6427	[illegible]	8370	[illegible]	10804	[illegible]	[illegible]	14822	16821	18607	20171	[illegible]	[illegible]
607	1927	4317	6455	7203	8407	[illegible]	10836	12096	13541	14873	16874	18667	20287	[illegible]	[illegible]
628	1935	4321	6463	7287	8439	[illegible]	10849	12133	[illegible]	14886	16896	18716	20337	[illegible]	[illegible]
704	1949	4433	6475	7290	8482	[illegible]	10873	12178	[illegible]	14947	[illegible]	18747	[illegible]	[illegible]	[illegible]
752	1952	4441	6494	7298	8499	[illegible]	10880	12197	[illegible]	14965	[illegible]	18782	20276	[illegible]	[illegible]
788	1988	4617	6514	7296	8525	[illegible]	10889	12226	13652	14990	[illegible]	18835	[illegible]	[illegible]	[illegible]
814	2022	4626	6530	7305	8578	[illegible]	11056	12264	13646	15007	[illegible]	18864	[illegible]	[illegible]	[illegible]
832	2083	4651	6542	7340	8613	9691	11073	12298	13670	15071	[illegible]	18898	20385	[illegible]	[illegible]
852	2108	4653	6556	7378	8635	9707	11102	12314	[illegible]	15112	[illegible]	18940	20382	[illegible]	[illegible]
859	2142	4674	6576	7402	8658	9736	11152	12330	13669	15134	[illegible]	18988	20415	[illegible]	[illegible]
877	2157	4682	6587	7440	8694	9759	11167	12372	13701	15174	17018	19018	20438	22727	[illegible]
1020	2165	4690	6598	7447	8718	9792	11191	12432	13752	15225	17047	19071	[illegible]	22767	[illegible]
1032	2250	4805	6602	7505	8733	9826	11214	12440	13780	15258	17410	19104	20508	22791	[illegible]
1047	2267	4894	6615	7534	8757	9853	11265	[illegible]	13823	15309	17481	19130	[illegible]	[illegible]	[illegible]
1061	2273	5037	6633	[illegible]	8776	9893	11295	12494	13867	15357	17514	19178	[illegible]	[illegible]	[illegible]
1074	2291	5121	6649	7572	8791	9932	11313	12511	13915	15364	[illegible]	19222	[illegible]	[illegible]	[illegible]
1082	2295	5148	6700	7586	8815	9959	11388	12534	13928	15436	17584	[illegible]	[illegible]	[illegible]	[illegible]
1158	2351	6185	6719	7620	8830	9969	11398	12565	13964	15469	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1162	2357	6191	6730	7680	[illegible]	10006	11405	12593	13976	15489	17653	[illegible]	[illegible]	[illegible]	[illegible]
1179	2366	6202	6741	7685	8871	10018	11446	12607	13998	15613	[illegible]	[illegible]	20717	[illegible]	[illegible]
1193	2375	6213	6760	7782	8885	[illegible]	11476	12631	14017	15647	17769	[illegible]	[illegible]	[illegible]	
1197	2385	6223	6765	7785	8911	10075	11487	12670	14055	15672	17816	[illegible]	20774	[illegible]	
1202	2509	6234	6788	7828	8922	10082	11530	12710	14105	15694	17878	[illegible]	20816	[illegible]	
1214	2523	6241	6817	7855	9029	[illegible]	[illegible]	12743	14129	15702	17897	[illegible]	[illegible]	[illegible]	
1263	2551	6253	6831	7911	9048	10145	[illegible]	12785	14177	15708	17937	[illegible]	[illegible]	[illegible]	
1306	2629	6265	6847	7929	9071	10154	[illegible]	12812	14211	15938	17985	19665	21015	[illegible]	
1314	2645	6273	6860	7978	9084	10228	11710	12836	14295	15952	18004	19674	21046	23110	
1382	2657	6282	6871	7996	9160	10297	11720	12844	14308	15971	18035	19711	21097	23117	
1390	2672	6289	6897	8011	9163	10315	11734	12906	14426	16161	18071	19726	21119	23123	
1444	2749	6303	6913	8026	9196	10325	11757	12930	14433	16172	18119	19790	21128	23129	
1456	2785	6314	6927	8051	9211	10500	11784	12956	14458	16189	18137	19816	21139	23137	
1554	2821	6321	6952	8101	9221	10615	11785	12978	14477	16193	18215	19862	21172	23146	
1625	2932	6330	6974	8130	9239	10630	11805	12996	[illegible]	[illegible]	18276	19905	21231	23152	
1630	2997	6342	6995	8151	9254	10680	11862	13018	14515	[illegible]	18288	19948	21242	23242	

On 1st June, 1983 there will become due and payable upon each Bond drawn for redemption the principal amount thereof together with accrued interest to the said date at the office of:- Irving Trust Company, One Wall Street, New York, N.Y. 10015 or one of the other paying agents named on the Bonds. Interest will cease to accrue on *the Bonds called for redemption on and after 1st June, 1983 and* Bonds so presented for payment must have attached all coupons maturing after that date.

US$12,500,000 nominal amount of Bonds will remain outstanding after 1st June, 1983.

Williams & Glyn's Bank plc,
67 Lombard Street, London EC3P 3DL.

Norwich Union

The Chairman Mr M G Falcon CBE,DL reports:

LIFE SOCIETY

A modest increase in new business against a background of unsettled market conditions.

Bonuses to policyholders increased in October and again at the year end.

FIRE SOCIETY

Turnover maintained at 1981 levels, but severe competition caused pre-tax profits to fall to £26m.

Life Society

1982 was a year of unusual ups and downs. Sales of individual life insurance and pension policies did well but new company pension *business languished. In the United Kingdom* we invested £318m of new money, of which £93m went into property, £163m into ordinary shares and £65m into British Government Stocks.

The market value of the Life Society's assets rose substantially to £4,638m, and considerable improvements were made to our bonuses, and hence to the sums we pay to policyholders.

Fire Society

Against a worldwide background of reckless competition, we resolved to set premiums at levels adequate to maintain our service yet remain relatively competitive. This has meant the loss of some business. Worldwide premium income did not advance on 1981.

Pre-tax profits dropped by one third to £26m, *the increase in our investment income being* more than absorbed by deteriorating underwriting results.

A return to a healthier market is likely to be slow, but indications are emerging of improved underwriting standards. This provides a glimmer of hope for longer term prospects.

The free reserves increased significantly to £312m.

NW Group

Norwich Winterthur, in which the Fire Society has a 45 per cent interest, produced an estimated pre-tax loss of £2.6 million compared with £6.4 million profit in 1981. This loss was primarily caused by extremely poor reinsurance results.

Premiums grew to £201m.

Banking

Norwich General Trust, which specialises in loans to industry and commerce, continued to receive considerable demand for its services. During the year 230 new advances were made for £19m, taking total advances to over £75m. AP Bank also had a good year in 1982. There was a large increase in loans, mainly as short to medium term advances to U.K. companies, and turnover in the Foreign Exchange department showed a marked increase.

Life Society	1982	1981
TOTAL PREMIUMS	£470.7m	£394.8m
New Annual Premiums	76.7	75.5
New Single Premiums	118.8	74.8
Cost of Bonuses		
Annual	112.6	85.7
Terminal	16.6	13.3
Special	61.3	—
ANALYSIS OF PREMIUMS		
United Kingdom	367.6	309.4
Republic of Ireland	13.4	11.1
Overseas	89.7	74.3
	470.7	394.8
Group Assets	£5,632.8m	£4,355.6m

Fire Society	1982	1981
PREMIUMS	£251.3m	£250.2m
Investment income	51.8	44.7
Underwriting loss	(20.8)	(4.8)
Associated Companies' earnings	(1.2)	2.9
Expenses not charged to other accounts	(3.6)	(3.6)
PROFIT BEFORE TAXATION	26.2	39.2
Taxation and Minority Interests	10.5	17.6
NET PROFIT	15.7	21.6
Dividends	10.0	10.0

ANALYSIS	Premiums 1982	Premiums 1981	Underwriting Result 1982	Underwriting Result 1981
United Kingdom	£256.0m	£259.7m	£(16.9)m	£2.7m
Republic of Ireland	18.3	17.3	(4.3)	(7.8)
Overseas	31.5	28.3	(4.1)	(2.4)
Marine & Aviation	20.0	17.3	(3.2)	(0.8)
	325.8	322.6	(28.5)	(8.3)
Less Reinsurance with Associates	(74.5)	(72.4)	7.7	3.5
Totals	251.3	250.2	(20.8)	(4.8)
Investment Income attributable to Insurance Operations			34.3	29.8
Insurance Result			13.5	25.0

Norwich Winterthur Group (Fire Society owns 45%)

Unaudited Results	1982	1981
Premiums	£201.5m	£172.1m
Profit before Taxation	(2.6)	6.4

Copies of the Directors' Report and Group Accounts including the Chairman's full Statement may be obtained from the Norwich Union Insurance Group, PO Box 48, Norwich, NR1 3TA.

NORWICH UNION INSURANCE

The Annual General Meeting of the Norwich Union Life Insurance Society will be held on the 10th May 1983 in Norwich

Demerging Harrods would be a disaster

To throw away hard-won market dominance by stripping Harrods out of House of Fraser would be disastrous.

House of Fraser is the market leader, with over 25% of all U.K. department store retail sales.

Because of economies of scale, sheer buying power and access to the highest quality merchandise Harrods tops our marketing mix. Take Harrods away and we lose our unique position.

WHAT WOULD HAPPEN

* Loss of benefits from complementary trading activities, creating additional overheads.
* Loss of purchasing power, for Harrods as much as the rest of the Group.
* Loss of tax efficiency.
* Loss of morale among management and staff.

We believe the total effect would be a reduction in profits of both entities of several million pounds over the next few years.

WHAT IS HAPPENING

A positive new trading strategy for the whole Group was established over a year ago and is being implemented. Despite the distractions inflicted on us by Lonrho, good progress has been made.

The thrust is to increase our total market share, particularly in the key-spending 25–40 age group.

Our objective is to DOUBLE profits of the House of Fraser Group, including Harrods, within the next five years.

LOOK AT THE RESULTS

Our preliminary results for the 52 weeks ended 29th January 1983, just announced, show that:

* Profit before tax is up 18.4% to £33.2 million.
* Turnover is up 5.9% to £771 million.
* Dividends per share increased by 7%.
* The new 'Lifestyle' merchandising programme, appealing to younger customers, has already been introduced into Frasers of Glasgow and two other Scottish stores. 'Lifestyle' will enter 12 further stores this year, starting at D. H. Evans in Oxford Street next month and at Rackhams of Birmingham.
* There is a new mood at House of Fraser, headed by a younger senior team. We have the experience and merchandising know-how to meet the needs of our customers, now and in the future.
* **These figures are a sign for the way ahead. The Board is sufficiently convinced by the future potential of the Group that the Board's resolution includes a vote of confidence.**

A detailed response to some of the Lonrho representatives' confusing claims is set out in the letter which has been sent to you – *please take time to read it in full.* In particular, we comment upon (1) their statements on the tax implications of a demerger, (2) their calculations on capital expenditure and targeted returns from the new investment, and (3) their version of our new trading and merchandising policy.

Do not be swayed by simplistic claims that you will be better off merely by having two shares instead of one – a single good investment offers you greater security.

We firmly believe that the demerger of Harrods would fundamentally damage the future of the entire House of Fraser group and hence the financial interests of its shareholders.

IT IS VITAL THAT YOU VOTE FOR THE BOARD'S RESOLUTION

Because of the Bank Holiday, it is essential that you post your Proxy Card without delay.

Keep Harrods within House of Fraser

This advertisement has been approved by a duly authorised committee of the Board of House of Fraser plc.

UK COMPANY NEWS

Good second half lifts Fraser to £33m

A SECOND half increase in taxable profits from £26.18m to £33.58m has wiped out the small loss at midway at House of Fraser, department store operator, and left the figure for the year ended January 29 1983 ahead by £5.16m at £33.19m.

Turnover, excluding VAT, for the 12 months expanded by some £43m to £770.78m (£727.67m) and the dividend is lifted by 0.5p to 7.5p net per 25p share with a final distribution of 5.5p.

At midway, after a £387,000 fall into the red (£1.84m profits), the directors said that the outcome for the year depended heavily on the performance in the second six months, and in particular, the final quarter.

The directors say that the £10m refurbishment programme for Harrods, Dickins and Jones, and D. H. Evans stores in Central London, is moving ahead according to plan. The 20,000 sq ft extension of the Army and Navy store in Bromley was opened last November and is performing well, they state, as well as Rackhams of Altrincham, where another major extension to the store was completed last September.

New stores are in different stages of construction in Perth, Epsom, Aberdeen and Preston, and the new computer warehouse at Avonmouth, will come on stream this autumn.

Directors say that an agreement in principle has been negotiated, but not yet concluded, between the group and London and Metropolitan Estates (the joint development company between London and Edinburgh Investment Trust and Balfour Beatty Construction) for a £50m redevelopment of Barkers.

The scheme will include a new 150,000 sq ft department store for Fraser, a number of retail shopping units around a covered mall and 200,000 sq ft of offices fully air conditioned and capable of being subdivided to give both large and small companies their own corporate identity.

It is envisaged that the development will commence within 12 months and will take some 2½ years to complete.

The existing store in Barkers, meanwhile, will continue operating and is trading more favourably in the much reduced square footage.

Depreciation amounted to £13.92m (£12.45m) for the year, interest charges £8.6m (£7.51m), related companies debited £607,000 (£539,000), and there was a debit of £2.31m (£1.14m) on the sale of properties, less reorganisation costs. The pre-tax figure was also after a £1.26m (£1.11m) allocation to the company's profit-linked share plan for employees.

Tax charge was much bigger at £10.2m (£3.38m) after which earnings per share are shown as 15.1p (16.3p).

There were extraordinary debits for the period of £365,000 (£1.56m credits) after which attributable profits are shown to be £22.58m, compared with £26.21m.

The extraordinary items comprised the costs of the EGM in Glasgow, last November, and the costs to the end of January of the investigation of the Harrods' demerger proposals.

Commenting on the proposed Harrods demerger, Fraser says that the majority of its board has already recommended to shareholders that Harrods should remain a vital part of the company: "We emphasise the same view again."

The majority of the directors, the group states, believe that there are no trading advantages in the demerger. Instead, they feel that the future prosperity for the group and its shareholders lies in "pursuing new trading strategies intended to broaden the quality and price appeal of the merchandise we sell in al our stores."

See Lex

Davies & Newman up £3m: pays 7p more

Davies and Newman Holdings, the Dan-Air airline operator, shipbroker and shipping agent, made a strong recovery in the second half of 1982 and returned pre-tax profits of £3.32m for the full year, compared with 1981's £342,000.

The dividend is being stepped up by 7p to 10p net per 25p share by an increased final of 7p. A scrip issue on a one-for-eight basis is also proposed.

The directors say that an end to the recession would improve the outlook for the companies involved with shipping and aviation.

Turnover for 1982 expanded from £154.47m to £183.84m and operating profits came through at £2.65m, compared with £622,000.

Pre-tax figures were struck after adding interest receivable of £1.16m (£723,000), associates' share of profits at £717,000 (£532,000) and £446,000 (£713,000) aircraft disposal surplus.

Tax fell from £284,000 to £79,000 and extraordinary credits totalled £377,000 (nil).

Stated earnings per share emerged at 57p (1p) on a net basis and at 61.1p (2.2p) on a nil basis.

● comment

The market was understandably amazed by Davies and Newman's £5.06m turnround in the second half and marked the shares up 31p to 181p. The secret lies in the company's high fixed overheads, which made it peculiarly sensitive to the changes in volume which occurred last year due to Laker's collapse and the seasonal increase in holiday traffic in the second half. At the same time, the group instituted a wage freeze and put increasing emphasis on more profitable scheduled flights. It maintains that its policy of holding market share—rather than trying for higher volumes at the expense of margins—limits the downside risk threatened by volume fluctuations. Declining oil prices have had little effect on fuel costs because the company buys fuel in expensive dollars. But it could still benefit from any more violent oil price falls in the current year. A busy schedule programme lies ahead, but the more than tripling of the total dividend— which is covered nearly three times—is very much based on 1982's growth. On yesterday's price, the shares yield 8.2 per cent and stand on a p/e of 6.2.

Profits collapse at Francis Industries

A COLLAPSE in pre-tax profits for 1982 from £1.74m to £24,000 has been shown by Francis Industries, after second-half results dived £14,000 into the red compared with profits of £883,000 previously. Turnover of this engineering holding company improved from £29.86m to £32.67m.

Earnings per 25p share were given as falling sharply from 13.7p to 0.68p. However there is a final net dividend of 1p—down from last year's 3p—which makes a total of 2p for the year against 5p.

A more encouraging start has been made to 1983 say the directors, and provided a recent improvement in demand is maintained for the rest of the year, the group should show a more satisfactory result than in 1982.

Sales in the first quarter were somewhat higher than the comparable period last year, they say, although some of the group's businesses are still heavily dependent on greater volumes than are currently being experienced if they are to return to an acceptable level of profitability. Sales at F. Francis are particularly strong and well ahead of the comparable period last year.

Lacrinoid is operating with increasing efficiency at a lower break-even point. Since the end of August through to March this year Lacrinoid has shown a reduced rate of loss in each successive month. Clearplas and Sagar-Richards, despite a much improved first two months, have, in the last few weeks, been adversely affected by the strikes at Cowley and Halewood.

Pre-tax profits were struck after increased interest payments of £609,000 (£481,000). There was a credit for tax of £57,000 against a previous debit of £204,000, and a minorities credit this time of £2,000. However, following extraordinary debits of £1.54m, compared with £326,000, attributable losses amounted to £1.45m against profits last time of £1.21m.

Extraordinary items included heavy reorganisation costs and a write-off of some £570,000 following the previously announced decision to cease the diversification venture into the distrbution of telephone answering machines. The directors say the balance-sheet continues to be strong with gearing an acceptable 24 per cent.

● comment

Francis Industries has paid heavily for a misjudged venture into Agovox telephone answering machines. This, together with a struggle for much needed volume in its main activities of packaging and auto components, left the outturn a little worse than midyear forebodings and certainly below market optimism. However, it was on the basis of the better outlok and past performance that a final dividend is being paid which should help sustain shareholder loyalty while the share price leaves it so vulnerable to predators. Surgery, including a 17 per cent cut in workforce last year, with continued investment in automation has brought a penalty in the form of heavier extraordinary losses and interest payments. But on the plus side a 15 per cent pick up in volume, particularly on the packaging side, would have a substantial impact on marginal profits. The signs are that with firmer prices and plenty of scope for expanding market share a strong recovery could start to come through this year. This upturn would be much aided if its major car producer companies restore more production to their UK plants though the company is also hopeful of capturing some useful business for gearbox components overseas, especially in North America where it has just won a £400,000 order. Yesterday shares rose 1p to 33p, far below net asset value and yielding 8.9 per cent.

Office and Electronic downturn

Pre-tax profits of Office and Electronic Machines fell by £539,000 in 1982 to £2.12m with the second half contributing £978,000, compared with £1.36m previously.

Stated earnings per 25p share dropped from 25.03p to 20.85p but a same-again final dividend of 5p holds the net total at 7.5p per unit. Turnover moved ahead from £22.65m to £23.76m—the group is the sole agent in the UK for the distribution of the Adler, Imperial and Triumph ranges of typewriter.

Attributable profits came through at £1.23m a(£1.53m).

Steetley tells shareholders Hepworth bid 'inadequate'

AT YESTERDAY'S AGM of Steetley Mr David Donne, the new chairman, explained he was not due to take over until after the meeting, but had held the post for the past three weeks, since a bid for the group was received from Hepworth Ceramic Holdings.

Lord Boardman, the previous chairman, had accepted the chairmanship of National Westminster Bank and the directors thought that to change chairman in the middle of this unwelcome bid was unwise, and so the appointment was advanced by three weeks.

Mr Donne said 1982 was a tough year and the figures were a disappointment. However, appropriate action had been taken.

In Canada and the U.S., profits fell as the recession began to bite. However, in the UK, operating profits were very similar to those in the previous year, due to action taken in 1981—and continued in 1982—to cut back, rationalise and sell off operations where productive capacity was out-stripping the market. At the same time, resources were switched to areas where growth was foreseen.

To reflect the group's trading in 1982, and not from any lack of confidence in prospects, Mr Donne said the proposed dividend was reduced from 10.5p to 7.0p.

In mid-March, when only the first few weeks of trading results were available, Lord Boardman said the year had opened with improved results, and that in Canada, the U.S. and the UK there were signs of an economic upturn. Since then the general level of activity throughout the group had continued a strong upward trend, and the confidence that brought this about was now feeding on itself.

Mr Donne said there was no doubt that there was an upswing of the business cycle, and as under utilised manufacturing capacity was brought into use, so the companies that supplied the basic needs of industry would be the first to reap the benefits in terms of sharply increased profits.

He said it was premature to make a forecast of profits for 1983, but as a specialist supplier to industry the group would certainly share in the increased industrial activity.

Shareholders had already been advised not to take any action in connection with the Hepworth offer. Within days they would receive a document setting out in detail why the Steetley directors believed it was not in their best interests to accept this "inadequate offer."

Downiebrae pays final although pick up slows

AFTER swinging back from losses of £221,019 to profits of £54,310in 1982, Downiebrae Holdings is to resume dividend payments after a lapse of two years. A payment of 0.3p is being made.

Profits at halfway were £53,000 (£194,000 losses) and it was indicated by the board last October that should trading continue to improve, it would be the company's intention to resume dividend payments. Although it is not particularly encouraged, it still hopes for the forecast improvement later in 1983.

In the meantime, Mr W. G. Peacock, chairman of this holding company with interests in metal merchanting, manufacture of steel profiles and pipe flanges, says the company cannot yet report a clear recovery in the demand, and prospects remain uncertain.

But he adds that through its programme of re-investment, slimming down and re-organisation, the group is in the best possible position to ride through this continuing recession, and with capacity now available, to respond when conditions improve.

However, he says that should the economy remain static through 1983, a further consolidation of the company's capacity may be necessary to ensure increased profitability compatible with present demand.

Group turnover for the year rose from £3.14m to £3.59m. There was a tax charge of £18,611 (£551 credit), and deferred tax credits amounted to £4,770 (£33,704).

Stated earnings per 10p share were 0.6p (nil).

Boosey & Hawkes makes recovery in second half

SECOND HALF taxable profits of £1.21m, against losses of £199,000, at Boosey & Hawkes, more than wiped out losses made in the first six months and the musical instrument maker and music publisher ended 1982 with a profits advance from £60,000 to £549,000.

With earnings per 25p share given as 3.4p (losses 4.6p), a final dividend of 2.3p net is being paid, after the interim distribution was omitted. In 1981 an interim of 1.9p was paid and the final passed.

Sir Richard Young, chairman, says the improvement reflects the effects of the first full year's contribution from Buffet Crampon International—which was acquired in mid-1981—and is based on a recovery in the musical instrument interests coupled with the continuing growth of earnings from music publishing.

The tax charge increased from £209,000 to £389,000—because a higher proportion of earnings came from overseas—leaving net profits of £160,000 (losses £149,000). After minority interests of £16,000 (£21,000) and extraordinary credits of £5,000 (£1,000), the attributable profits emerged at £149,000 (losses £169,000).

هكذا من الأصل

Whatman Reeve ahead at £2.5m

SECOND-HALF pre-tax profits at Whatman Reeve Angel improved from £989,000 to £1.28m, and figures for 1982 as a whole went ahead from £1.9m to £2.52m.

The directors report that the group has made a good start to 1983.

The final dividend is raised from 3.2p to 3.8p net, for an increased total of 6p compared with 5p.

Turnover of this manufacturer and marketer of laboratory supplies advanced from £16.7m to £19.43m. The pre-tax figure was after interest charges down from £417,000 to £244,000 and employee share participation scheme, £90,000 (£59,000).

After tax up from £727,000 to £1.32m, attributable profits were £976,000 against £947,000. Stated earnings per 25p share were 28.01p (28.21p) basic, and 27.09p (26.55p) fully diluted.

On a CCA basis, pre-tax profits were £2.35m (£1.41m).

BOARD MEETINGS

TODAY

Interims: Brentnall Beard, Pitzwilton Humberside Electronic Controls.

Finals: Henry Boot, Bremner, Sir Joseph Causton, Clayton Son, Cole Group, Hopkinsons, Liberty, Long and Hambly, Pentland Industries, Sunlight Service, Titaghur Jute Factory.

FUTURE DATES

Interims—	
Aberdeen Trust	May 3
Cooper (Frederick)	May 10
Higsons Brewery	May 19
MEPC	May 31
Radio City (Sound of Merseyside)	May 16
Reliant Motor	May 13
Tiger Oats and National Milling	May 4
Transvaal Consolidated Land and Exploration	May 8
Wemyss Investment Trust	May 4
Finals—	
Coats Patons	May 11
Electra Investment Trust	May 4
European Ferries	May 5
French Kier	May 3
Holt Lloyd International	May 12
Mowlem (John)	May 4
Tam-Consultants	May 6
Walker (J. O.)	May 4

Pochin's makes headway at halftime

IN THE six months to November 30, 1982, Pochin's had pre-tax profits of £256,000. This compares with £201,060 in the corresponding period of the previous year. The interim dividend is unchanged at 0.875p net—last year's total was 3p from pre-tax profits of £272,000.

At the last year-end, the directors of this builder and civil engineering contractor, said turnover was down by some 28 per cent from £21.26m to £15.19m, reflecting difficulty in obtaining work with any profit margin. There was an improvement in turnover in the first half of the current year, and this increased from £8.29m to £8.75m.

Mr W. R. Verity, the chairman, says the results show some recovery from last year's depressed level, and while it is too early to forecast with certainty the outcome for the full year, it is at least known that it will not be severely influenced by bad weather as were the May, 1982 figures.

He adds that any improvement there may have been in availability of work at reasonable profit margins, is negligible and the company has a yet to see any signs that an upturn has commenced.

NU net new long term investments total £387m

THE Norwich Union Insurance Group net new investments in 1982 on its long-term funds amounted to £387m, of which £318m arose in the UK.

Of the latter amount, £93m was invested in property, most of this being developments, £163m in equities and £65m in gilts—the latter being invested in the first part of the year at an average yield approaching 15 per cent.

Total long-term funds of the group rose during the year by over £650m from £2.51bn to £3.17bn. Annual premium income jumped from £320m to £352m, single premiums from £75m to £119m and investment income from £275m to £326m.

The amount paid out in claims rose sharply, with surrender value payments on early cash-in of contracts rising from £36.5m to £47.2m. Commission payments rose from £30.2m to £37.8m and other management expenses from £55.9m to £65.7m.

At the end of 1982, equities and property holdings amounted to £2.71bn—nearly two-thirds of the total long-term fund investments of £4.28bn. Fixed-interest holdings, including equipment on lease accounted for the balance.

The general insurance business transacted by the Norwich Union Fire Insurance Society showed an underwriting loss of £19.2m last year on its fire and accident business, compared with a loss of £4.6m in 1981 and a £1.6m loss on its marine and aviation business, against a small £200,000 loss.

The general insurance business was hit by the severe weather at the beginning of the year and by the continued rise in theft claims.

On the motor insurance account extreme competitive pressures resulted in a reduced premium income, the first time this has happened for a number of years.

The pre-tax profits of the Fire Insurance Society fell by one-third to £26.2m—the rise in investment income to £34.3m being insufficient to cover the deterioration in underwriting. The net dividend paid to the Life Society—the parent of the Fire Society—was maintained at £10m.

The operations of the reinsurance company, Norwich Winterthur Group, in which Norwich Union Fire has a 45 per cent interest, showed a pre-tax loss of £2.6m, against profit of £6.4m in 1981.

This reversal of trading results reflects the poor conditions presently operating in the world reinsurance market, together with bad weather claims in the UK, storms in France and Japan and asbestosis claims in the U.S.

NU's banking subsidiaries enjoyed a satisfactory year's trading in 1982. Norwich General Trust, which specialises in commercial mortgages to industrial and commercial firms, showed a slightly lower after-tax profit of £2m against £2.3m in 1981. AP Bank, specialising in finance for international trade, showed profits slightly up from £1.1m to £1.3m.

The group's activities in providing risk capital for small unquoted companies continued to make a loss. But the operation still shows sufficient promise for activities in this investment field to be continued.

The total assets of the group rose from £4.36bn to £5.63bn during the year.

NZ allotments

Applications for the New Zealand issue of £100m 11¼ per cent stock 2008 have been allotted as to: up to, and including £75,000 nominal amount, in full; £100,000 nominal amount to £550,000 nominal amount (inclusive), £100,000; £600,000 nominal amount and above, approximately 17 per cent.

WESTERN DEEP LEVELS LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF 12 PER CENT UNSECURED DEBENTURES 1986/1993—INTEREST PAYMENT NO. 6

Notice is hereby given that in respect of the interest on the debentures for the period January 1 to June 30 1983, warrants bearing the latter date will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 17 1983 to debenture holders registered at the close of business on May 20 1983. For that purpose the transfer registers and registers of debenture holders will be closed from May 21 to June 3 1983, both days inclusive.

Registered debenture holders paid from the United Kingdom will receive the United Kingdom currency equivalent on May 23 1983 of the rand value of the interest due to them. Any such debenture holders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 20 1983.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, a withholding tax at the rate of 10 per cent will be deducted by the company, where applicable, from the interest payable to those debenture holders whose addresses in the registers of debenture holders are outside the Republic of South Africa. Interest amounting to R20 or less accruing in any one year is exempt from the tax.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA
Secretaries
per N. B. Stinton
Companies Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051
Marshalltown 2107)

Charter Consolidated P.L.C.
P.O. Box 102, Charter House
Park Street, Ashford
Kent TN24 8EQ

Registered Office
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

Johannesburg
April 29 1983

Samuel Properties has £110,000 increase midway

INCREASE PRE-TAX profits, up from £1.54m to £1.65m, are reported by Samuel Properties for the six months to December 31 1982, and the directors say the advance is due principally to an improved contribution from property dealing activities.

Group income was considerably higher at £7.78m compared with £4.9m, and operating profits were up from £1.45m to £1.6m. The pre-tax figure included associates, £47,000 (£82,000). The interim dividend is raised from 1.3p to 1.43p net—last year's total was 4.6p from pre-tax profit of £3.66m (£3.22m).

During the first half, £1.6m was received upon the surrender of a lease. Until the outcome of a planning application is known, the company does not consider it appropriate to recognise any potential profit arising on this item, and this has therefore, been excluded from the results.

The directors anticipate a "satisfactory" increase in profits for the year as a whole. This follows the comments made at the time of the annual meeting when Mr P. H. Samuel, the chairman, said the group was well-placed to achieve a significant increase in income during the next few years, as rent reviews fall due on a number of major freehold and long lease properties.

Group tax for the first half-year was £602,000 against £545,000. There was a nil transfer from capital surplus in respect of developed properties—last year the figure was £83,000. Minorities were down from £7,000 to £4,000, and there was an extraordinary credit of £81,000 this time.

Stated earnings per 25p share were slightly lower at 3.6p (3.69p).

BANK RETURN

BANKING DEPARTMENT

	Wednesday April 27 1983	Increase (+) or Decrease (−) for week
Liabilities	£	£
Capital	14,553,000	
Public Deposits	[illegible]	+ [illegible]
Bankers Deposits	628,450,509	+ 56,904,065
Reserve and Other Accounts	2,039,341,090	+ 46,486,998
	2,723,476,857	+ [illegible]
Assets		
Government Securities	492,541,952	+ 17,268,000
Advances & other Accounts	1,554,291,972	+ 60,313,903
Premises Equipment & other Secs.	892,175,354	+ 34,167,995
Notes	4,346,277	− 5,530,491
Coin	121,302	− 785,534
	2,723,476,857	+ 105,430,874

ISSUE DEPARTMENT

Liabilities	£	£
Notes Issued	11,180,000,000	+ 50,000,000
In Circulation	11,175,653,723	+ 55,530,491
In Banking Department	4,346,277	− 5,530,491
Assets		
Government Debt	11,015,100	—
Other Government Securities	4,126,854,165	+ 66,636,092
Other Securities	7,042,130,735	− 16,636,092
	11,180,000,000	+ 50,000,000

INSURANCE BROKING SURVEY

The Financial Times wishes to apologise to its readers and the advertisers within the Insurance Broking Survey for moving the survey from today's issue to Saturday 30th April's issue

UK COMPANY NEWS

Hoover better first quarter

FIRST QUARTER pre-tax losses of domestic appliance manufacturer Hoover were cut from last time's £1.92m to £736,000 after taking account of lower interest charges of £492,000, against £1m, and rationalisation costs this time of £310,000.

Turnover for the three months, to March 31 last, rose by £3.65m to £48.04m with an improvement in both the UK and overseas markets reflecting a progressive introduction of new products.

The directors say actions taken to improve efficiency of UK operations are beginning to show results but that the full benefits will not be realised until production is further increased.

The Australian operations reported significantly improved results as did Hoover (Holland), the group's 50 per cent-owned associate. Reduced borrowings, combined with lower interest rates, resulted in interest costs being halved.

The group is continuing with its programme of rationalisation in both the UK and overseas operations. The directors are encouraged by the success of the group's new product introductions and the improvements registered in the results.

Group trading profits for the quarter amounted to £66,000 (£916,000 losses). They were made up as to losses by Hoover and its subsidiaries of £346,000 (£1.06m) and profits of Hoover (Holland) and its subsidiaries of £412,000 (£167,000).

Tax took £240,000 (£286,000) which left the net loss for the period at £976,000, compared with £2.2m and the loss per 25p share at 5p (11p).

Hoover's recovery accelerated in the final quarter of 1982 following the removal of hire purchase controls in the UK and lower interest rates.

A £22,000 profit (£16.61m loss) for the three months helped the group to cut its deficit for the full year by £24.18m to £6.79m.

The group's ultimate holding concern is Hoover Company of Ohio.

● Hoover of the U.S., parent of the UK company, yesterday reported a sharp rise in first-quarter net earnings, from $644,000 or five cents share to $6.6m (£3.85m) or 54 cents a share.

The company said sales increased, as measured in local currencies, but lower foreign exchange values caused a drop in consolidated sales from $170.4m to $165.5m.

● comment

Hoover is still hitting some obstacles as it completes the major shake-up of the last couple of years. Its product-led recovery is marred by hitches in supply from its Scottish factory at Cambuslang. It will take a few months yet, before the factory has settled down sufficiently to cope with demand. Some cost cutting in Europe produced a £310,000 charge in the first quarter. On the optimistic side, sales are up 8 per cent and Hoover's troubled Australian business, its largest wholly owned subsidiary, is back in profit after several consecutive quarters in the red. Hoover has halved interest costs so that borrowings are around 40 per cent of shareholders' funds a level Hoover is happy to hold. The share price of A ordinary shares slipped 3p to 133p where it is backed by net assets of 240p.

Yule Catto improves 11% despite lower turnover

ALTHOUGH turnover at Yule Catto & Company was down from £87.26m to £78.25m in 1982, more than £6m of the difference reflected a re-organisation of activities between the group's companies. Disposals during the year eliminated a further £5m of turnover, say the directors.

In the meantime, pre-tax profits advanced by 11 per cent from £5.92m to £6.58m, and the final dividend is raised from 1.5p to 2p net for a total of 3p against 2.5p.

The group, which has interests in plantations, industrial chemicals and building products, reports large extraordinary profits arising from the sale of 400 acres of estate land in Malaysia — extraordinary credits totalled £2.39m against debits of £83,000.

Lord Catto, the chairman, previously announced the intention to allocate an additional 563 acres for housing development in partnership with Johore State Economic Development Corporation.

Tax for the year was higher at £3.06m compared with £2.55m, and minorities were £882,000 (£788,000). Stated net earnings per 10p share improved from 11.6p to 12p and from 12.7p to 13p on a nil basis. Net asset value per share rose from 141.5p to 173p.

During the year, the compounding operations of Evertex were transferred to Doverstrand coincident with that company's change to associate status in December 1981.

Pre-tax profits on a CCA basis were £5.4m (£4.86m).

● comment

Elimination of loss makers, good performance particularly at Revertex and some help from a weakening pound, enabled Yule Catto to turn in much better than expected figures. The market responded by marking shares up 8p to a 1983 high of 130p. In sterling terms plantations held up with trading profits ahead from £1.7m to £1.9m as falling commodity prices through the year—notably for rubber which slid some 40 per cent—were offset by a good harvest and, partly, by exchange gains. Chemicals nudged ahead £0.2m to £4.1m and benefits of remedial action which cost between £200,000 and £300,000 in redundancy costs below the line came through. Associates contribution of £1.1m against £830,000 was aided by a recovery at Doverstrand. The improved trend across the board has continued in the first quarter of the current year and plantations look set to gain from an upturn in rubber prices and firmer palm oil prices. There should also be further exchange gains. While the Johore venture offers returns some six years or more into the future a more immediate bonus may come from the 20 per cent stake in Goal Petroleum. Elsewhere the group is looking for further organic growth and using its strong balance sheet to fund acquisitions in chemicals. The outlook is, therefore, of another significant advance to over £7.5m pre-tax putting the fully taxed prospective p/e looking cheap below 7.

Wire & Plastic Products falls to £222,000

Lower profits were returned by Wire & Plastic Products for 1982, the pre-tax figure emerging at £222,000, compared with £315,000. Turnover improved from £2.37m to £2.87m.

The dividend for the year is being cut from 2.07p to 1.9p net per 10p share by a reduced final of 1.05p (1.22p)—earnings per unit fell to 3.01p (5.87p). Tax took £115,000 (£108,000).

Taxable profits at six months were down from £170,411 to £151,349.

Whittington Intnl.

Acceptances have been received in respect of 17,474,381 Whittington International shares (97.2 per cent) offered by way of rights.

The remaining 506,508 shares have been sold at a premium of 7.724p per share for the benefit of provisional allottees.

Farnell Electronics over £10m at year-end

A SUBSTANTIAL increase from £7.81m to £10.44m in pre-tax profits is reported by Farnell Electronics for the 53 weeks to January 30 1983. Turnover of this manufacturer and distributor of electronic and electrical equipment rose from £33.65m to £41.97m.

The final dividend is raised from 1.1p to 1.25p net for an increased total of 2p net against 1.55p.

Group trading profit improved from £6.87m to £9.19m, and this is after charging £390,000 (£278,000) for the Employee Profit-sharing Scheme and £150,000 this time "topping up" payment to the trustees of the pension fund.

There was a tax charge of £5.18m (£3.74m), and after dividends of £1.24m (£961,000), retained profits emerged at £4.02m compared with £3.12m. Stated earnings per 5p share rose from 6.6p to 8.5p.

An analysis of turnover and pre-tax profits by division shows: electronic component distribution £27.15m (£20.91m) and £7.2m (£5.43m); electronic manufacture and marketing £11.17m (£8.86m) and £2.16m (£1.24m); consumer goods distribution £3.65m (£3.68m) and £44,000 (£39,000). Others, including parent company, added £1.04m (£1.1m) to profits.

● comment

The market has come to expect the best from Farnell. So its 33 per cent increase in pre-tax profits provoked only a lack-lustre reaction, with the shares down 2p to 283p. Electronic equipment manufacturing was the liveliest division by far, recording a 74 per cent pre-tax increase, almost entirely on the back of increased demand for power equipment. The company aims to double its power supply unit manufacturing capacity in the current year and is adamant that the risks of such a high exposure to a single product are minimal because it is required in practically all microchip applications. Farnell is keeping a tight hold on its £8.9m cash balances for the time being because it needs working capital to cope with the further upturn it anticipates on the distribution side, where it has recently won a Texas Instruments franchise. On that basis, £13.5m looks possible in the current year, putting Farnell on a fully taxed prospective p/e of 26.2. Although the rating is above the sector, there is no obvious reason why the company should not repeat its recent growth.

MINING NEWS

RTZ is encouraged but sees no early bonanza

BY KENNETH MARSTON, MINING EDITOR

FOLLOWING A year in which the Rio Tinto-Zinc group's earnings staged an impressive second-half rebound Sir Anthony Tuke, the chairman, comments on the emerging world economic recovery led by returning business confidence in the U.S. But against the background of previous false starts he sees "need to remain cautious.

"In short, the signals for profits may have changed to amber, but they are not yet green. We may well have to wait until 1984 before any worthwhile recovery in the world economy comes through to those of us who provide raw materials."

Sir Anthony also feels that average rates of growth in demand for metals in the years ahead are likely to be slower than those seen so far in the post war era. For this reason he emphasises the need for a containment, or reduction, of costs, a message that has also come across in the first quarter results being announced by the transatlantic natural resource majors.

Against this background, he says that large-scale mines such as the group's Bougainville operation in Papua New Guinea are unlikely to be developed over the next few years, especially in view of the difficulties of financing such operations in the third world.

He points out that the group's decision last year not to proceed with the big Cerro Colorado copper project in Panama should be seen in this context. This suggests that the group may also further delay taking any decision on the big Quartz Hill molybdenum prospect in Alaska.

Meanwhile RTZ's diversification of interests stood it in good stead last year, especially in the cases of the UK and industrial subsidiaries which did remarkably well in the economic circumstances. They should thus do even better this year, and RTZ's important mining activities should also make a better showing if the improvement in metal prices is maintained.

However, the Rossing uranium mine in Namibia is likely to earn less and the Hamersley iron ore operation in Western Australia will probably have to accept a reduction in ore prices negotiated with its Japanese steel mill customers.

Overall, though, earnings should show a useful increase and the growth could accelerate towards the end of the year. A modest increase in the 16p dividend rate seems to be on the cards and having eased to 582p from their recent peak of 614p, the shares may move forward again with a continued improvement in the general economic picture.

Newmont's better first quarter

AMERICA's major natural resource group, Newmont Mining, in which London's Consolidated Gold Fields has a stake of 25 per cent, is another transatlantic major to report improved earnings for the first quarter of this year.

At $18.84m (£12m), equal to 62 cents per share, they compare with $17.37m in the previous three months and $11.81m in the first quarter of last year.

Total earnings for 1982 amounted to $48.58m against $81m in 1981 when there was also an extraordinary credit of $294.6m arising from the disposal of the holdings in St Joe Minerals and Conoco.

Main factors in the higher earnings for the first quarter of this year were lower costs and higher copper prices for the Magma copper operation in Arizona. Newmont also received a dividend of $4.2m from the 27½ per cent stake in the improving Peabody Coal.

Newmont, which is declaring a regular quarterly dividend of 25 cents, completed during the quarter its $75m purchase of the Miami, Arizona, open-pit copper operations of Cities Service Company. Against the background of improving copper prices this acquisition will strengthen expectations of a further rise in Newmont's earnings for the current quarter.

ROUND-UP

The offering of 4m units at C$2.50 (129p) each of the Canadian Greenwich Resources has been completed. They comprise one share plus a warrant to buy half a further share, at a price equivalent to C$3 per share, within 12 months.

The company is the new world-wide exploration and development arm of the UK-based Robertson Research petroleum and mining consultancy. The accompanying agreed bid for Minex Developments has been declared unconditional. The latter holds exploration licences and old gold mine dumps in the Sudan.

The first coal shipment from the new A$400m (£221m) Oaky Creek mine in Queensland will be sent from Australia to Italy this week, two months ahead of schedule. Mr Colin Kaiser, the general manager, said that despite the downturn in world coal markets there was still a demand for Oaky Creek's high quality coking coal. The mine is a joint venture between MIM Holdings (79 per cent), the Netherlands Hoogovens group (8.5 per cent), Nuova Italsider of Italy (7.5 per cent) and Empresa Nacional Siderurgica of Spain (5 per cent).

Higher precious metal prices have produced first quarter earnings for Canada's Placer Development of C$1.46m (£761,600) compared with a loss of C$2.98m in the first quarter of last year. The company's wholly-owned Golden Sunlight gold mine in Montana and the 34 per cent-owned Minera Real de Angeles silver mine in New Mexico are both operating at above design capacities, but molybdenum prospects remain depressed by poor market conditions.

Whiting 1 oil tops 5,000 b/d

THE LATEST tests of Broken Hill Proprietary's Whiting No. 1 exploration well drilled in the Gippsland Basin of the Bass Strait, off the cost of Victoria, produced an oil flow of 5,323 barrels of oil a day.

Earlier testing of Whiting 1 produced an oil flow of 3,500 b/d. Natural gas was also produced.

However, although the latest oil flow is encouraging, potential reserves are estimated to be small, according to BHP, which added the significance of the reserves has yet to be determined. BHP and Esso Exploration and Production Australia—a subsidiary of Exxon—each have a 50 per cent interest in Whiting 1.

BIDS AND DEALS

Westminster Property acts to block Raper moves

BY CHARLES BATCHELOR

Westminster Property Group launched an appeal yesterday to its 2,800 shareholders to support the board against Mr Jim Raper's attempt to gain control of the company.

The group believes it can gain sufficient support at its resumed annual general meeting on May 17 to fight off an attempt by Mr Raper to place himself and four nominees on the company's board.

Mr Patrick Ravenhill, Westminster's chairman, warned that if Mr Raper did gain control and the Stock Exchange then carried out its threat to suspend the company's listing shareholders stood to lose a lot of meny.

The unlisted shares would probably decline in value and might then change hands at unrealistic prices, the Westminster board warned. The shares fell 1p yesterday to 24p.

St Piran, the mining and house-building group which is part of Mr Raper's master company Gasco Investments of Hong Kong, has built up a holding of 29.99 per cent in Westminster.

In its letter to shareholders the eWstminster board said it was "mindful of the criticisms which had been made of Mr Raper in the final report of the inspectors appointed by the Department of Trade to investigate the affairs of St Piran."

"The inspectors concluded that Mr Raper's fundamental operating policy was to control companies with less than a minority shareholding but with his nominees forming the majorities of the boards. In the opinion of your board and its advisers such a policy would clearly not be in the interests of the majority of shareholders."

The takeover panel has said the Stock Exchange council would consider suspending the listing of Westminster if Mr Raper or his nominees won seats on the board.

Mr Ravenhill adjourned last month's annual meeting when it became clear that Mr Raper had enough votes to win majority backing for his bid to win board seats.

Westminster is now proposing the nomination of two new members to its board. They are Mr T. Royle, 52, a former managing director of Hogg Robinson Group and currently chairman of Control Risks Group, and Mr G. H. Challis, 61, formerly of Lloyds Bank and now a consultant to Keith Cardale Groves, chartered surveyors.

Westminster says it has the support of a number of major shareholders, including Mr D. R. Kirch, who has 15.2 per cent, and two other, unconnected, blocks of shares amounting together more than 5 per cent of the capital.

In their letter to shareholders the Westminster board pointed to its efforts to dispose of poor yielding properties and its commencement of major new projects in Guildford, Albufeira in Portugal, Maidstone and Crawley.

Mr Raper was critical yesterday of Westminster's failure to list his nominees on the proxy form, which is being sent to shareholders, and of the procedure the company plans to use to appoint the new directors, which does not provide for a separate resolution for each appointment.

He charged that the Westminster board was hiding behind the threat of a Stock Exchange suspension.

"St Piran have always made it clear that they did not want to control the board. We only want to have board representation, a not unreasonable request for a 30 per cent shareholder. The five nominations were to fill any slots which might occur," he said.

He also pointed out that the Stock Exchange had only said it "might" suspend Westminster's shares.

Charles Baynes gets bid approach

Charles Baynes, the Blackburn-based hacksaw blade manufacturer, announced yesterday that it had received an approach which may lead to a bid.

More than one party is understood to have expressed interest in a deal, although the board through family and friends hold a controlling stake in the equity.

A 24 per cent stake was placed by Savoury Milln yesterday on behalf of James Neill, the hand tool group, at 33p share. The buyer was Bank Heusser of Basel.

DOWABLE/ COPE ALLMAN

The offer by Dowable for Cope Allman International has lapsed. By the third closing date of the offer acceptances had been received in respect of 8,799,238 Cope shares (approximately 22.27 per cent). Dowable was not in a position to declare its offer unconditional and it has therefore lapsed.

DUNLOP ESTATES

Dunlop Estates says that the Capital Issues Committee of Malaysia has approved its proposed acquisition of 32.21m shares in Malaysian Plantations, but has revised the terms of the agreement.

Under the revised terms, it will issue Ringgit 80.52m of 8½ per cent convertible unsecured loan stock 1983/88 at par as consideration, instead of the originally proposed 10 per cent cumulative convertible preference shares.

SECOND CITY/BEAZER

Following the grant of an official quotation for the new Beazer shares, the offer for Second City Properties is unconditional in all respects.

NEW THROG. (1983)

The New Throgmorton Trust (1983) has announced that the entire holding of the capital shares registered in the name of the nominee for NTT Securities, has now been sold in the market.

These shares were issued in respect of the holding by NTT Securities of capital loan stock in the New Throgmorton Trust on the effective date of the reconstruction.

SHARE STAKES

Stag Furniture Holdings — W. D. Crane, consequent to his retirement as trustee of a Radford family trust no longer has an interest in 5 per cent or more of the ordinary shares capital.

London and Manchester Securities—Richard O. Prickett, a director, has sold 200,000 ordinary shares.

Magnet and Southerns — J. T. Duxbury, a director, has ceased to have an interest in 125,000 ordinary shares.

Delyn Packaging — Lonsdale Universal has sold shares so that they no longer hold a 5 per cent interest. A. K. W. Edwards has acquired 200,000 shares and therefore has an interest in excess of 5 per cent.

The British Printing and Communication Corporation—Perelle Nominees has sold 30,500 4.2 per cent "A" cumulative preference shares reducing holding to 39,000 shares (26 per cent).

Hambro Life Assurance—M. S. Wilson, a director, has sold 50,000 ordinary shares.

Pavilion Leisure—General and Overseas Trust has notified that Michael Shellim and associates were the beneficiaries of a call option over 130,441 ordinary shares (19.86 per cent).

F. W. Thorpe—On April 18 the total holding of Abingworth was 154,075 ordinary shares (5.0174 per cent).

West Coast and Texas Regional Investment Trust — Colonial Mutual Life Assurance Society and its subsidiary Colonial Mutual Life (Pension Annuities), has disposed of its interest in the company's shares.

Dixor-Strand—On April 25 M. Vincent ceased to have an interest in the single holding of 6,629,360 shares registered jointly with S. B. Lerner having transferred his interest in 4,972,020 shares to Mr Lerner who, from that date, had the sole interest in the holding of 6,629,360 shares. Consideration for the passing of the interest was 7p per share.

John Beales Associated Companies — Munton Bros. has acquired for investment purposes 985,210 ordinary shares (25.7 per cent). These shares were acquired from the Littlefair Family and their trusts.

Bluemel Brothers — A. I. Wilkes is no longer interested in 5 per cent or more of any class of the issued share capital. R. L. Berber, chairman, has purchased 30,000 ordinary shares. N. K. Ross, a director, has purchased 30,000 ordinary shares. S. H. Kite, a director has purchased 12,900 ordinary shares.

Britannia Arrow Holdings—M. H. Newman, a director, has exercised an option over 50,000 ordinary shares. S. A. Goldsmith, a director, has exercised an option over 50,000 ordinary shares. P. C. Baker, a director, has exercised an option over 50,000 ordinary shares.

Shiloh—P. H. Gartside, a director, has sold 5,000 ordinary shares.

Martin-Black—J. A. Kennedy has disposed of 7,520 ordinary shares reducing holding to 70,000 ordinary shares (1.06 per cent).

Greene, King and Sons—Timothy Stewart Redman, a director, has sold 6,300 ordinary shares.

Danks Gowerton—Smith Keen Cutler, on behalf of T. J. Roe, a director, has purchased a total of 66,500 ordinary shares.

Hogg Robinson Group—Kuwait Investment Office has an interest of 12.9 per cent.

The Charter Trust and Agency—London and Manchester Assurance has purchased 100,000 ordinary stock units increasing holding to 2,390,040 units (5.9 per cent).

BTR has 9% stake in Thomas Tilling

By Ray Maughan

FOLLOWING its initial market raid on Thomas Tilling and in pursuit of its £600m plus bid for the industrial conglomerate, BTR has continued its policy of picking up loose Tilling shares in the market at 189½p, cum the 4½p dividend.

BTR disclosed that it had acquired a further 1m Tilling shares on Wednesday this week and is understood to have purchased a further 0.5m shares yesterday. These acquisitions have lifted BTR's holding in Tilling to just under 9 per cent.

BTR's offer has been on the table, if not formally despatched, for three weeks but the main emphasis for this bitter contest will shift early next week to Tilling's Crewe House headquarters in London's West End when the industrial holding company is expected to publish its detailed defence.

The bid reaches its first closing date on May 10 and Morgan Grenfell the financial advisor to BTR, was claiming yesterday that it had already received a proportionately high level of acceptances, notably from Tilling's numerous private shareholders who are estimated to hold some 35 per cent of the equity.

The offer is currently worth 207p per Tilling share taking BTR at 434p, up 2p yesterday, which compares with Tilling's own unchanged share price of 190p and the underwritten cash alternative of 185p.

Tilling's defence is widely expected to contain a strong profits recovery forecast for 1983 against the sharp fall to £43.7m, including £8m of gilt-edged dealing surplus, during 1982.

It is also expected to comprise an evaluation of the worth of Tilling's individual units on a free-standing basis and a comparative examination of the success of Tilling's acquisition policy against BTR's own past takeovers.

THORN EMI

Thorn EMI intends to make an offer for the 210,000 6 per cent cumulative preference shares of £1 each of Glover and Main, which it does not already own. For each of the shares shareholders will be offered 76p in cash.

Thorn EMI, in addition to holding all the ordinary shares of Glover and Main, holds 2,640 6 per cent cumulative preference shares.

The formal offer document will be posted to shareholders shortly.

Little change at Border Breweries

A marginal reduction in pre-tax profits has been produced by Border Breweries (Wrexham) from £938,435 to £931,545 for the year to the end of February 1983. Turnover moved ahead from £15.29m to £15.76m.

At the halfway stage profits slipped from £508,000 to £458,000 and the directors said that until the economic state of the region improved—the company is based in Clwyd, Wales—they did not foresee any great improvement in trading activities.

The net final dividend has been marginally lifted from 3.8p to 3.9p which raises the total to 5.3p (5.2p). Earnings per 25p share before extraordinary items were shown as slipping from 11.59p to 10.15p.

Tax rose from £309,474 to £379,982. There were extraordinary credits this time of £36,478 (£47,356) from profit on disposal of freehold property.

The main activities of the company are the production of beers, soft drinks and fruit juices, wholesale and retail selling of beers, wines and spirits, tobacco, minerals, and the management and ownership of public houses, off-licences and hotels.

Improvement midway by British Assets

During the first six months to March 31 1983 gross income of British Assets Trust rose by 7 per cent from £3.46m to £3.7m, and despite a higher tax charge of £1.4m against £1.27m, resulting from a high proportion of income earned overseas, available income rose by 4 per cent to £1.8m, against £1.76m.

A second quarterly dividend has been declared and maintained at the same rate as the first quarterly dividend of 1.2p. The directors expect to recommend not less than 4.8p for the year, against 4.55p last time. Earnings per share for the six months were given as 1.9p (1.83p).

Net asset value at March 31 was 185p which compares with 131.7p at September 30 1982 and 117.5p 12 months ago. The company has benefited from the strength of North American stockmarkets (61 per cent of total assets) and the UK stock markets (31 per cent of total assets).

Interest and expenses took £388,000 (£339,000) which gave higher pre-tax profits of £1.92m against £1.85m.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg. Bermuda. 809 29 5400
Amer Tst $11.46 11.82 .... —
Perpetual UT Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
Offsh Grth $1.074 1.143 —
Rothschild Asset Management (CI)
St Julian's Ct, St Peter Port, Guernsey. 0481 26741
OC International Reserves Ltd
Bel Francs BFr836.34 +0.18 9.52
Canadian $ C$35.925 +0.005 7.67

Schroder Money Funds Ltd
Sterling £13.8291 .... —
U.S. Dollar US$25.5472 .... —
D-Mark DM50.5536 .... —
Swiss Franc SwFr50.2640 .... —
Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.
T-G Am $23.02 — .... —
T-G Money $20.79 — .... —
T-G E'bond $15.72 — .... —
T-G Com $21.37 — .... —
T-G Mort C$19.05 — .... —
T-G O'seas $11.62 — .... —
T-G Pacific Y1.826 — .... —
T-G Wall St $24.01 — .... —

Capital Unit Prices available on request.
London Life Linked Assn Ltd
100 Temple St, Bristol BS1 6EA. 0272-279179
Equity 216.2 222.6 +0.6 —

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941.
TSB Life Ltd
PO Box 3, Keens House, Andover, Hants. SP10 1PG.
Managed Fd 98.8 104.1 +0.4 —
Property Fd 95.5 100.6 −0.1 —
Fixed Intl Fd 97.1 102.3 −0.1 —
Money Fund 95.5 100.7 .... —
Equity Fund 101.5 107.0 +1.0 —

NORTH AMERICAN QUARTERLY RESULTS

FORD MOTOR OF CANADA

First quarter	1983 C$	1982 C$
Revenue	1.49bn	1.49bn
Net profits	†9.4m	†42.7m
Net per share	†1.13	†5.15

† Loss

GENERAL RE

First quarter	1983 $	1982 $
Revenue	377.6m	379.6m
Net profits	52.0m	47.2m
Net per share	1.15	1.08

OCEAN DRILLING AND EXPLORATION

First quarter	1983 $	1982 $
Revenue	229.4m	232.2m
Net profits	37.53m	47.15m
Net per share	0.73	0.91

PANHANDLE EASTERN

First quarter	1983 $	1982 $
Revenue	1.03bn	958.7m
Net profits	61.6m	73.4m
Net per share	1.48	1.80

PUROLATOR

First quarter	1983 $	1982 $
Revenue	198.5m	188.1m
Net profits	6.7m	6.37m
Net per share	1.01	0.97

REICHHOLD CHEMICALS

First quarter	1983 $	1982 $
Revenue	178.5m	208.7m
Net profits	4.18m	3.34m
Net per share	0.38	0.38

REVERE COPPER AND BRASS

First quarter	1983 $	1982 $
Revenue	121.5m	152.9m
Net profits	†827,000	†7.08m
Net per share	†0.16	†1.24

† Loss

SYSCO

Third quarter	1982-83 $	1981-82 $
Revenue	491.4m	458.1m
Net profits	9.51m	9.09m
Net per share	0.48	0.44

H. H. ROBERTSON

First quarter	1983 $	1982 $
Revenue	121.8m	148m
Net profits	2.61m	6.03m
Net per share	0.50	1.23

TESORO PETROLEUM

Second quarter	1982-83 $	1981-82 $
Revenue	515.1m	606.2m
Net profits	4.13m	†3.77m
Net per share	0.21	†0.35

TIMES MIRROR

First quarter	1983 $	1982 $
Revenue	567.3m	522.3m
Net profits	29.4m	20.18m
Net per share	0.85	0.59

VARIAN ASSOCIATES

Second quarter	1982-83 $	1981-82 $
Revenue	185.1m	173.3m
Net profits	8.78m	5.49m
Net per share	0.44	0.32

WESTERN UNION

First quarter	1983 $	1982 $
Revenue	257.9m	247.9m
Net profits	22.48m	16.41m
Net per share	0.84	0.80

European Options appear today on Page 32

LONDON TRADED OPTIONS

Apr. 28 Total Contracts 3,644 Calls 3,467 Puts 777
* Underlying security price.

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	109 3	115 1	+0 2	
Do Initial	107 8	113 4	+0 3	
Man Pens Accum	234 1	246 9		
Do Initial	196 6	207 0		—
Gilt Edg Pens Accum	202 8	213 5		—
Do Initial	164 3	172 9		—
Money Pens Accum	178 5	187 9		—
Do Initial	146 3	154 1		—

Black Horse Life Ass. Co. Ltd.
71, Lombard St EC3 01-623 1288

Black Horse Man Fd		238.25		—
Managed Inv Fd	150 77	158 73		—
Property Fd	146 34	154 05		—
Fixed Interest Fd	138 15	145 43		—
Cash Fd	132 37	139 34		—
Income Fd	153 14	161 20		—
Extra Income Fd	146 93	154 67		—
Worldwide Growth Fd	274 85	226 14		—
Balanced Fd	159 65	168 06		—
Smlr Co's & Recy Fd	192 15	202 27		—
Int. Technology Fd	239 16	251 75		—
Nth. Amer & Gen. Fd	160 34	168 78		—
Energy Int. Fd	91.12	95 92		—
Pacific Basin Fund	123.92	130.45		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	97 4	102.5		—
International	113 9	119.9		—
Property	106.4	112.0		—
Deposit	96 7	101.8		—
Fixed Interest	96 0	101 2		—
Managed	103 8	109.3		—
Equity Pens Cap	96.9	102.0		—
Intnl. Pens. Cap	118.0	124.2		—
Property Pens Cap	108.4	114 1		—
Deposit Pens Cap	96.0	101.0		—
Fixed Int Pens Cap	95 1	100 1		—
Managed Pens Cap	105.5	111.0		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		85.2		—
Rtmt. Fed. April 6		234.2		—
Managed Pen Fund	177.2	186 5		—
Property Pen Fund	110 1	115 9		—
Index Lnkd Pen Fund	120.6	127.0		—
Managed	115 7	121.8		—
Property	92.8	105 1		—

G.T. Management Ltd.
10 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G T Plan Bond Fund	120 3	126 7	+0 2	—
GT Pln High Yld Fnd	112 3	118 3		—
GT Plan Far East Fnd	97 3	102 5		—
GT Pln N Am Fund	146 9	154 7		—
GT Pln UK&G. E. Fnd	130.0	136 9		—
GT Pln Worldwide Fnd	127 9	134 7		—
GT Pension Bnd Fnd	128 6	135 4	+0.5	—
GT Pen High Yld Fd	126 7	133 6		—
GT Pen Far East Fd	110 8	116 7		—
GT Pen N. Am Fd	201 9	212.6		—
GT Pen UK & G.E Fd	147.9	155.7		—
GT Pen Worldwide Fd	136 0	143.2		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Int. Managed Bond	162.3	170 9	+1.1	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		240.5	+3.9	—
Portfolio Fd. Inc.		202.8	+3.3	—
Portfolio Fd. Cap.		251 9	+3.8	—
Investment A uts	240.4	253.0	+4 0	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1 413		—
Landbank Secs.		62.7		—
Landbank Scs. Acc.	172.4	176.8		—
G. & S. Super Fd.		£10.698		—

Guardian Royal Exchange
Royal Exchange, E.C.3 01-283 7101
Guardian Assurance

Property Bonds	299.2	311.6		—

GRE Linked Assurance Limited

Managed Initial	202.5	213.1	+0.2	—
Do. Accum.	222.4	234.1	+0.3	—
Equity Initial	254.5	269.9	+0.1	—
Do. Accum.	281.7	296.5	+0.2	—
Fixed Int. Initial	186.7	196.6	−0.2	—
Do. Accum.	205.1	215.9	−0.3	—
International Initial	197.0	207.4	−2.7	—
Do. Accum.	216.4	227.8	−3.0	—
Property Initial	122 9	129.4		—

OFFSHORE AND OVERSEAS

Wardley Japan Trust	$21.10	21.87		0.82

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	£2.04	1.09		3.00
US $ Option	$0 98	1.03		—

World Wide Growth Management¢
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd§	$13.10			—

Inv. Adv.: M. & G Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	34 4	35.8	+2.7	3 10
Chinese Fund	75.3	78.4		1.70
Precious Metal Fund	126.6	131.8	+0.9	8.30
Vanguard Cmdy. Fd.	43 4	44.5	+0.3	2.36
Financial Futures Fd	126 5	131 7		—
Wren Intl Fnd *	$0.897	0 932		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U S dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ϕ Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

EIB taps Eurobond market with $200m issue

BY MARY ANN SIEGHART IN LONDON

THE EUROPEAN Investment Bank launched a $200m bond on the Eurodollar market yesterday. Priced at 99½, the 10-year issue carries a coupon of 10¾ per cent to yield 10.83 per cent at the issue price.

The bond is being led by Deutsche Bank with Banque Nationale de Paris and Swiss Bank Corporation International, and has a call option at a price of 101 after seven years. Although it arrived late in the day, a tentative pre-market price of less 1½ was quoted, slightly outside its 1¼ point selling concession. Like most recent EIB issues, it seems to be tightly priced yet by no means unsaleable.

Following the recent shift in investors interest towards equity markets, two bonds with warrants and one convertible were officially launched yesterday.

Credit Suisse (Bahamas) is raising $100m through a seven-year, 7 per cent bond priced at par and guaranteed by its parent bank, Credit Suisse. Led by Credit Suisse-First Boston, each bond carries 10 warrants to buy one Credit Suisse share at SwFr 2,200. Yesterday, the shares hit a 1983 high of SwFr 2,020. The bond started trading at about three points over par and the warrants, which are exercisable for five years, at around $18 each.

As expected, Degussa, the West German metals and chemicals group, issued a bond with warrants yesterday. The $50m, 10-year bond carries a coupon of 8¼ per cent at par and is led by Dresdner Bank.

Each bond carries two warrants, one to buy three Degussa shares and the second to buy only one share. The warrant exercise price is DM 320, compared with yesterday's share price of DM 320.5, but the warrants cannot be exercised until August 1 this year. A wide range of prices was quoted for the bond yesterday – from 107 to 124 – but the market was unanimous in this enthusiasm for the deal.

Secom's convertible was officially launched yesterday through Nomura International. The only surprise was that the amount, expected to be $50m, was only $40m. The 15-year bond has an indicated yield of 5½ per cent and will be priced on May 10. It was trading at around 102-103 yesterday.

The dollar secondary market was still firm, but turnover was lower than the previous day. Despite U.S. Treasury refunding requirements being higher than expected, the New York market gave it a positive lead.

Both the Swiss and German markets closed unchanged in fairly low turnover.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for April 28.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	98½	99⅛	+0¼	+0½	10.59
Amro Bank 13 89	200	107½	108	+0⅛	+0¼	11.22
Bank of America 8 88 XW	150	89¾	90¼	0	+0⅛	10.73
Bank of Tokyo Hold 11 90	100	99¾	100⅛	+0½	+0¼	11.02
British Col Hyd 10¼ 88	200	99	99½	+0¼	+0¼	10.44
British Col Hyd 15¼ 92	150	119½	120	+0¼	+0¾	11.62
Canada 14⅞ 87	750	112⅛	112⅝	0	+0½	10.43
Canadair Ltd 12½ 89	175	106¾	107¼	+0⅜	+0⅜	10.81
Canadian Wheat 11¼ 90	50	102⅞	102⅞	+0⅛	+0½	10.79
Can Pac Sec 15 89	75	112	112½	+2	+2¼	12.07
Coca Cola Int 9⅞ 92	100	25⅝	26½	+0⅛	+0¼	10.58
Coca Cola Int 11¾ 89	100	105	105½	0	+0⅛	10.55
Credit Suisse BHA 10½ 90	150	100⅜	100⅞	+0¼	+0⅜	10.36
Credit Suisse 10½ 89	100	102⅛	102⅝	+0¼	+0⅜	9.97
Deutsche Bk Fin 14¼ 89	300	112¼	112¾	-0⅛	+0⅛	11.33
Du Pont 11¼ 95	150	103⅛	103⅝	+0⅛	+0⅞	10.71
Du Pont 14⅛ 88 WW	200	108¾	109⅜	+0⅛	+0⅞	11.95
E.D.C. 10¾ 88	100	100⅝	101⅛	+0⅜	+0⅜	10.48
E.E.C. 10¼ 95	75	96⅛	96⅝	+0⅛	0	11.31
E.E.C. 11½ 95	200	100¼	100¾	+0⅛	+0⅝	11.40
E.I.B. 11 91	125	99⅞	100⅜	+0¼	+0⅞	10.96
E.I.B. 15½ 92	100	114⅞	115⅜	+0⅛	+0½	12.60
Exp Dev Corp 11¾ 87	100	103¼	103¾	+0¼	+0¼	10.69
Forsmarks 13¾ 92	75	107⅞	108⅜	0	+0⅝	12.22
Gaz de France 12¼ 93	175	21½	22	0	+0⅝	11.94
Gen Elec Credit 8¾ 91	100	15¾	16¼	0	+0⅝	10.48
Gen Elec Credit 12 89	100	107⅜	107⅞	+0⅛	+0⅜	10.29
GMAC O/S Fin 10½ 90	200	99⅝	100⅛	+0⅛	+0¾	10.45
GMAC O/S Fin 15 87	100	110½	111	+0⅜	-0¼	11.52
Gulf Oil Fin 12¼ 87	100	104½	105	+0⅛	+0¼	10.88
Honeywell Int 10¾ 90	100	98⅞	99⅜	+0⅛	+0⅞	10.93
IBM World Trade 12¼ 92	200	110⅝	110⅞	+0⅜	+0⅝	10.42
Manitoba Prov 11¾ 89	125	104⅝	105⅛	+0⅝	+0⅞	10.65
Manitoba Prov 13¾ 89	100	109⅞	110⅜	+0⅛	+0½	11.40
Midland Int Fin 11½ 92	150	102⅛	102⅝	+0⅛	+0⅝	11.06
Nat West Fin 11¾ 92	150	103⅝	104⅛	+0⅛	+0⅝	11.00
New Brunswick 15¼ 87	75	111⅜	111⅞	+0⅛	-0⅛	11.58
Newfoundland 15½ 90	75	115⅝	116⅛	+0⅛	+0⅜	12.07
Nippon Credit 11⅛ 93	100	98¾	99¼	+0¼	+0¼	11.41
Nova Scotia Prv 15¼ 89	75	114¼	114⅝	+0⅛	+0¼	11.83
O.K.B. 10 91	100	95½	96	+0⅛	-0¼	10.82
Ontario Hydro 11⅛ 89	200	103⅜	103⅞	+0⅛	+0½	10.44
Ontario Hydro 12¾ 92	200	108⅛	108⅝	0	+0¼	11.24
Ontario Hydro 15 92	150	117⅞	118⅜	+0⅛	+0½	11.67
Prudential O/S 10⅝ 93	100	100¼	100¾	+0¼	+0⅜	10.54
Prudential O/S 12¾ 87	150	107⅞	108⅛	+0⅛	+0⅜	10.41
Quebec Hydro 11½ 92 D	100	102¼	102¾	0	-0⅛	11.04
R. J. Reynolds 12¾ 89	100	106⅜	106⅞	+0⅛	+0⅝	11.21
Saskatchewan Pr 10¾ 98	125	99⅝	100⅛	+0⅛	+0⅜	10.76
S.N.C.F. 11½ 93	100	99⅞	100⅜	+0¼	0	11.47
Swiss Bk Corp 10¼ 90	125	101¾	102¼	+0⅛	+0⅜	9.81
Texaco Capital 9¾ 90	150	96¼	96¾	-0⅛	+0½	10.48
U.B.S. 11 89	150	104½	105	+0½	+1	9.95
Walt Disney Pro 12½ 89	75	106¼	106¾	0	+0¼	10.83
World Bank 10⅝ 88	150	99½	100	-0¼	+0⅞	10.43
World Bank 10⅞ 93	100	99⅜	99⅞	-0⅜	0	10.93
World Bank 11⅛ 98	100	99½	100	-0⅛	+0½	11.14

Av. price changes: on day -⅛, on week +⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¾ 92	80	100½	101	-0⅛	-0⅛	8.12
Australia 6⅞ 93	200	99¼	99¾	0	+0⅛	6.94
Australia 7¾ 92	200	103⅜	104⅛	-0¼	+0⅛	7.15
Bank of Tokyo 7⅛ 90	100	99⅞	100⅜	0	+0¼	7.22
Bayer Capital 7⅜ 89	150	104⅞	105⅛	-0⅛	-0½	6.69
Caisse Nat Energie 8 93	100	99¾	100¼	0	-0⅛	7.99
Caisse Nat Tele 7¾ 93	200	98⅞	99⅜	+0⅛	0	7.99
E.C.S.C. 7½ 93	150	98¾	99¼	-0⅛	-0⅛	7.64
E.E.C. 7¾ 95	200	99⅞	100⅜	0	-0⅛	7.73
E.E.C. 8 94	200	100¾	101¼	+0⅛	0	7.85
Eurofima 7½ 91	100	101⅜	101⅞	0	-0⅛	7.22
Ferrovie Dello 8¾ 88	150	101¾	102¼	-0½	-0½	8.22
Gould Int Fin 8¼ 89	75	103⅜	103⅞	-0⅜	-0⅛	7.52
H.J. Heinz Int 6¾ 88	50	100½	101¼	0	+0⅛	6.52
Int-Am Dev Bk 8¼ 93	150	100⅞	101⅜	0	-0⅛	8.07
Ireland 8½ 90	150	101⅞	101⅞	0	0	8.17
Ireland 8⅞ 91	150	102¼	102¾	+0⅛	+0⅛	8.41
ITT Antilles 7 93	200	98	98½	0	+0⅛	7.25
McDonalds Fin 7⅛ 92	100	101½	101⅞	+0⅛	-0⅛	6.90
Mitsui O.S.K. 7¾ 88	100	100⅛	100⅝	-0⅛	-0¼	7.34
Mount Isa Fin 7⅝ 90	100	97⅞	98⅜	-0⅛	-0⅛	7.98
Quebec Hydro 8 93	200	102⅜	102⅞	-0¼	-0½	7.60
Sweden Kingdom 8¼ 89	150	101⅞	102⅜	0	-0⅛	7.79
Volkswagen Int 7¼ 93	200	97⅞	98⅜	0	-0⅛	7.52
World Bank 7¾ 93	200	97⅞	98⅜	0	0	7.52

Av. price changes: on day 0, on week -⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	99	99¼	0	0	5.99
American Express 4¾ 93	100	96¾	97	-0⅛	-0	5.16
Asian D.B. 5⅝ 95	100	99⅞	99⅜	-0⅛	+0¼	5.83
BTR Finance 5⅝ 93	75	98¼	98½	-0¼	-0⅛	5.84
Carls-Tuborg Brw 5⅜ 93	60	103	103¼	0	0	5.34
Chugoku Ele Pow 6⅛ 91	100	102⅞	103⅛	-0⅛	-0⅛	5.63
Chujitsuya Co 5⅞ 93	50	97⅝	97⅞	-0⅛	-0⅛	6.18
E.I.B. 5¾ 93	100	99½	99¾	-0⅛	0	5.80
Ex-Im Bk Japan 5 93	100	96½	97	0	-0¼	5.43
First Interstate 6 92	100	103¾	104	0	-0¼	5.47
Fuji Electric Co 6 93	100	101	101¼	+0⅛	+0¼	5.85
Gothenburg Airport 6 93	50	100	100¼	0	-0½	5.98
HCA Finance 5 93	100	98	98¼	0	-0⅛	5.25
Manitoba Prov 5⅝ 93	100	101¾	102	-0⅛	+0¼	5.00
Nippon Express Co 6 93	50	100⅞	101⅜	-0⅛	0	5.84
Nippon Kokan 5⅝ 93	100	96½	96⅞	-0⅛	-0½	6.14
Norsk Hydro 5½ 98	100	98⅝	98⅞	-0⅛	-0⅛	5.65
O.K.G. 6¾ 93	60	102½	103	+0⅛	0	6.36
Quebec 5¾ 92	100	102¼	102½	+0¼	-0½	5.42
Shikoku Elec Pow 5⅝ 93	100	98	98¼	-0¼	0	5.88
Tohoku Elec Power 6 93	100	100⅞	101⅛	0	-0⅛	5.86
Transcanada Pipe 5⅞ 93	100	99	99¼	0	-0⅛	5.87
Trcac Corp 6¼ 91	100	101⅞	101⅝	0	-0⅛	6.01
Union Bk Norway 5⅞ 93	60	97¾	98	-0⅛	-0¼	5.68
Volvo 5⅞ 93	80	101	101½	0	-0⅞	5.17
World Bank 5½ 93	100	100⅛	100⅝	-0⅛	-0⅞	5.46

Av. price changes: on day 0 on week -⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105	105¾	-0⅛	-0¼	7.79
E.I.B. 8¼ 92	15	102¼	103	-0⅛	0	7.83
Japan Airlines 7⅞ 87	9†	101¾	102¼	+0½	+0½	7.24
New Zealand 7⅞ 89	15	100⅞	101⅝	0	+0⅛	7.36
World Bank 8¼ 92	20	103¼	104	+0⅛	+0⅛	7.79

Av. price changes: on day +⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 98 CS	50†	98¼	99¼	0	-0¼	12.70
Farm Credit 12¾ 93 CS	50†	102¼	102⅞	0	-0⅛	11.68
Intpowr Pipe 12⅝ 93 CS	50†	99⅝	100⅛	0	-1⅛	12.27
Pancanadian 12½ 93 CS	50†	100	100½	0	-0¼	12.45
Quebec Hydro 14 92 CS	60†	107⅜	108⅛	0	-0½	12.48
Swed Exp Cr 12¼ 88 CS	50†	102½	103½	0	0	11.37
Trans Mont 12½ 90 CS	20†	98	99	0	0	12.83
E.I.B. 11¾ 91 ECU	60	100	101	+0⅛	+0⅞	11.54
Quebec Prov 11½ 89 ECU	50	95¾	96¾	-0¼	-0½	12.42
Amfas 9½ 87 Fl	60	103⅜	103⅞	0	-0⅜	8.49
Austria 7½ 88 Fl	100	99⅝	100⅛	0	-0⅜	7.82
Nederland Gas 7½ 88 Fl	100	99⅞	100⅜	-0⅛	-0⅛	7.46
Neder Middk 9⅛ 87 Fl	100	104½	104⅝	-0⅛	-0⅛	8.06
Quebec Prov 7½ 88 Fl	100	99	99½	-0⅛	0	7.68
World Bank 7 88 Fl	150	98⅛	98⅝	-0⅛	-0⅛	7.41
O.K.B. 14 86 FF	400	100	101	0	-0⅛	13.71
Solvay & Cie 14¾ 86 FF	200	100⅞	101⅜	0	0	14.31
B.F.C.E. 14½ 87 £	30	107½	108½	0	+0⅜	11.91
C.E.C.A. 13½ 88 £	20	105½	106½	-0⅛	+0⅛	11.90
C.N.T. 12½ 89 £	20	101¼	102⅛	0	-0⅛	12.08
E.E.C. 11⅞ 91 £	50	99¾	100½	+0⅛	+0½	11.82
Fin For Ind 12⅛ 88 £	30	103⅝	104⅝	+0⅜	+0¼	11.22
Fin Mot Ovenj 12⅝ 92 £	30	100⅜	101⅜	+0⅛	+0⅛	12.39
Gen Elec Co 12½ 89 £	50	105	106	+0⅛	+0⅛	11.14
Hiram Walker 14⅛ 86 £	25	106⅞	107⅞	0	+0⅛	11.18
Mort Bk Fin 11¾ 88 £	15	27⅛	27⅞	0	-0⅛	12.41
Norsk Hydro 12 98 £	30	101⅞	102½	+0¼	+0⅞	11.59
Norsk Hydro 14½ 87 £	30	107⅝	108⅝	0	+0⅛	11.84
Quebec 14½ 89 £	30	109⅛	110⅛	+0⅛	+0⅛	12.18
S.D.R. France 15½ 92 £	30	107⅞	108⅞	+0⅛	+0⅛	13.89
S.N.C.F. 11½ 88 £	30	97⅛	98⅛	+0⅛	+0½	12.81
Tenneco Int 14¾ 87 £	30	108⅛	109⅛	+0⅛	+0½	12.86
World Bank 11⅝ 91 £	75	97⅞	98⅞	+0¼	+0½	11.77
Eurofima 11 93 LuxFr	500	102⅝	103⅝	0	+0⅛	10.46
Europarat 12½ 92 LuxFr	500	104¾	105¼	0	0	11.61

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100⅛	100⅝	18/8	9⅝	9.71
B.F.C.E. 5¼ 88	0¼	99⅛	99⅝	20/7	9¼	9.31
B.F.C.E. 5¼ 87	0¼	99⅝	99⅞	27/7	9.94	9.96
Caisse Nat Tele 5⅞ 90	0¼	99¼	99⅝	21/10	9.56	9.61
C.C.F. 5¼ 95	0¼	99⅝	99⅞	7/10	10.19	10.21
C.C.F. 5¼ 98	0¼	99⅞	100⅛	24/8	9.94	9.94
Cepme 5¼ 88 WW	0⅛	99⅝	99⅞	3/8	5⅛	5.27
Cepme 5¼ 92	0⅛	99⅝	99⅞	18/6	9.94	9.96
Chemical NY 5⅛ 94 ††	0⅛	100½	101	23/6	9⅞	9.80
Credit Agricole 5¼ 97	0¼	99⅝	100⅛	24/8	10	10.01
Credit du Nord 5¼ 92	0⅛	98⅞	99⅝	23/6	10⅛	10.21
Credit Lyonnais 5¼ 97	0⅛	99¾	100¼	1/10	10.06	10.06
Credit Lyonnais 5¼ 94	0⅛	99⅝	99⅞	5/7	9⅛	9.19
Credit Nat 5¼ 94	0¼	99⅛	99⅝	3/8	9¼	9.31
E.D.F. 5¼ 95 XW	0¼	99⅝	99⅞	10/6	10	10.06
Kansallis Osake 5½ 92	0¼	99⅝	100⅛	8/5	10.00	10.05
Long Term Cred 5¼ 92	0¼	100	100⅛	27/5	10⅛	10.11
J.P. Morgan 5¼ 97 S	0¼	100⅛	100⅝	12/5	9⅛	9.44
New Zealand 5⅛ 87	0⅛	100⅛	100⅝	7/10	10.06	10.06
NZ Steel Dev 5¼ 92	0¼	100⅛	100¼	22/6	10.19	10.15
Nippon Credit 5⅝ 90	0⅛	100¼	100⅝	10/8	9⅞	9.83
Scotland Int 5¼ 92	0⅛	100⅛	100⅝	22/9	9.94	9.91
Sec Pacific 5¼ 91	0⅛	99¾	100¼	24/5	10.00	10.06
Société Générale 5⅝ 95	0¼	99¼	99⅝	7/7	9⅞	9.95
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.00	10.05
Sweden 5¼ 93	0¼	99⅝	100⅛	3/8	10.19	10.20
Sweden 5¼ 89	0⅛	99½	100	26/8	9⅝	9.65

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	848.2	99½	101	+0⅛	10.82
Bridgestone Tire 5½ 96	3/82	478	113¼	114¼	+3	5.64
Canon 7 97	7/82	748.2	106	107⅛	-0½	1.87
Fujitsu Fanuc 4¼ 96	10/81	4491	123⅛	125¼	+1¼	8.96
Hitachi Cable 5¼ 96	2/82	515	98⅛	100⅛	-0⅛	6.63
Hitachi Credit Corp 5 98	7/81	1612	97⅝	99⅛	+0⅛	12.92
Honda Motor 5½ 97	3/82	759.0	112¼	113⅛	0	3.25
Kawasaki 5¼ 96	9/81	229	86	86½	-0⅛	27.78
Kumagai Gumi 6½ 97	10/82	480	112	113½	-1⅛	-3.82
Kyowa Hakko 6¼ 97	2/83	782	104⅛	106	-0⅛	11.36
Marui 6 98	7/81	793.5	124½	126	+0½	7.84
Minolta Camera 5 98	10/81	826.4	86	87½	0	54.33
Murata 5¼ 96	7/81	1714	115¾	117⅛	+0⅛	6.25
Nippon Electric 5¼ 97	2/82	765.9	126⅞	128¼	+0⅛	7.33
Nippon Oil Co 5½ 98	4/83	984	87⅛	98⅝	0	5.18
Nissan Motor 5¼ 98	4/83	779	95	97	-0⅛	1.79
Olympus Optical 6¾ 97	12/82	1331	102	103½	+0⅛	11.94
Orient Finance 5¼ 97	3/82	827.2	103⅞	105¼	-0⅛	3.76
Sumitomo Electric 5½ 97	3/82	577.3	99	100½	-0⅛	2.86
Sumitomo Metal 5¼ 96	10/81	296.1	80½	82	-0⅛	55.83
Fujitsu 3½ 93 SF	3/83	968	108	109	-0¼	12.27
Sharp Corp 3½ 93 SF	3/83	1100	111⅞	112⅝	-0⅛	8.85
Konishiroku 6¾ 88 DM	8/82	616	111¼	112¼	-0⅛	8.84
Mitsubishi Heavy 6 89 DM	2/82	263	107	108	-0⅛	15.50
Sum Realty 6¼ 92 DM	2/83	365	116½	117⅛	-0½	8.61

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

ENEL credit increased to $225m

By Our Euromarkets Correspondent

THE EUROCREDIT being arranged by ENEL, Italy's electric utility, has been raised to $225m from $200m, lead manager Chase Manhattan said yesterday.

The loan has been one of the few large borrowing operations launched by Italy this year. Most traditional state sector borrowers have held back from the market amid fears that the unresolved debt problems of Banco Ambrosiano could impair the country's international credit rating.

The six-year loan bears a margin of ⅜ per cent over prime rates and repayments begin after a grace period of 4½ years.

Australia coal finance agreed

By Margaret Hughes in London

A LOAN agreement worth $A300m has been signed in Singapore by Kooragang Coal Loader and a syndicate of Australian and international banks for the construction of a third coal loader at Newcastle in Australia. This port handles coal shipments from the Hunter Valley area of New South Wales where much of Australia's coal development is taking place.

Details of the breakdown of the financing are not available but it is known to be a combination of Australian dollar facilities, multicurrency Euroloans and a leveraged lease. The financing has been arranged by Westpac Banking Corporation.

UDDEVALLAVARVET AB

U.S.$30,000,000 7¾% Guaranteed Notes 1983

S. G. WARBURG & CO. LTD., announce that Notes for the nominal amount of U.S.$2,300,000 have been drawn for the redemption instalment due 1st June, 1983.

The distinctive numbers of the Notes, drawn in the presence of a Notary Public, are as follows: –

677	679	681	683	686	688	690	693
695	697	699	702	704	706	709	711
713	715	718	720	722	724	1067	1070
1072	1075	1077	1079	1082	1084	1086	1088
1091	1093	1095	1097	1100	1202	1204	1207
1209	1241	1243	1246	1248	1250	1254	1256
1258	1260	1263	1265	1267	1270	1283	1285
1287	1290	1292	1294	1297	1299	1301	1303
1306	1308	1310	1312	1315	1318	1320	1323
1325	1327	1330	1332	1334	1336	1553	1555
1557	1559	1562	1564	1566	1569	1571	1573
1575	1578	1580	1582	1586	1588	1590	1592
1595	1597	1599	1711	1713	1715	1717	1720
1722	1724	1727	1729	1731	1733	1736	1738
1740	1742	1745	1748	1750	1753	1755	1757
1760	1774	1776	1778	1781	1783	1785	1787
1790	1792	1794	1797	1799	2002	2004	2007
2009	2011	2015	2017	2019	2021	2024	2026
2028	2031	2033	2035	2037	2040	2042	2044
2047	2049	2051	2053	2056	2058	2060	2062
2065	2068	2070	2073	2075	2077	2080	2082
2084	2086	2089	2091	2093	2095	2098	2100
2291	2294	2296	2298	2300	2511	2513	2515
2519	2521	2523	2525	2717	2719	2783	2786
2788	2790	2792	2795	2797	2799	2802	2804
2806	2808	2811	2813	2815	2942	2945	2948
2950	2953	2955	2957	2960	2962	2964	2966
2969	2971	2973	2975	2978	2980	2982	2985
2987	2989	2991	2994	2996	2998		

On 1st June, 1983 there will become due and payable upon each Note drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of: –

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB,

or one of the other paying agents named on the Notes.

Interest will cease to accrue on the Notes called for redemption on and after 1st June, 1983 and Notes so presented for payment must have attached all coupons maturing after that date.

U.S.$2,400,000 nominal amount of Notes will remain outstanding after 1st June, 1983.

30, Gresham Street, London EC2P 2EB

29th April, 1983

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	6	35	—	—	32	61	$428
GOLD C	$425	17	14	—	—	—	—	"
GOLD C	$450	68	6	47	20	7	32	"
GOLD C	$475	129	2.50	22	13	31	21 B	"
GOLD C	$500	30	1	28	7	38	15.10	"
GOLD C	$550	50	0.20	3	3.50	10	7	"
GOLD P	$400	—	—	5	8.50	7	13 A	"
GOLD P	$425	43	7	13	17	—	—	"
GOLD P	$450	14	25	3	30	—	—	"
GOLD P	$475	3	47 B	5	49	—	—	"
GOLD P	$500	4	71	—	—	—	—	"
GOLD P	$550	3	122	10	121 B	—	—	"
		June		Sept.		Dec.		
SILV C	$11	—	—	26	1.90	—	—	$11.86
SILV C	$12	2	1.10	13	1.55	—	—	"
SILV C	$13	—	—	10	1.10	13	1.65	"
		July		Oct.		Jan.		
AKZO C	F.32.50	5	21.80	—	—	—	—	F.54.90
AKZO C	F.40	5	14.70	—	—	—	—	"
AKZO C	F.45	—	—	13	12	—	—	"
AKZO C	F.50	66	7.60	72	8.60	—	—	"
AKZO C	F.55	189	5	22	5.80 B	27	8.50	"
AKZO C	F.60	404	3	121	4	25	5.50	"
AKZO C	F.65	85	1.50	97	3	50	4.20	"
AKZO P	F.45	46	1.40	10	2.70	—	—	"
AKZO P	F.50	264	2.90	12	4.30	—	—	"
AKZO P	F.55	175	5.50	14	6.60	4	7	"
AKZO P	F.60	45	9	3	10	—	—	"
KLM C	F.130	15	15.50	—	—	—	—	F.144
KLM C	F.140	—	—	3	18	—	—	"
KLM C	F.150	78	6.50	—	—	—	—	"
KLM C	F.160	81	3.80	5	10	—	—	"
KLM C	F.170	73	2	10	6	—	—	"
KLM P	F.130	8	4.50	—	—	—	—	"
KLM P	F.140	18	7.30	5	12	—	—	"
KLM P	F.150	17	12.40	—	—	—	—	"
KLM P	F.160	5	20	—	—	—	—	"
PHIL C	F.27.50	2	18.60	—	—	—	—	F.46.10
PHIL C	F.30	11	16.10 B	80	16.50 B	—	—	"
PHIL C	F.32.50	55	13.60 B	5	14.50	—	—	"
PHIL C	F.35	45	11.50	28	12	—	—	"
PHIL C	F.40	196	7.30 A	63	8.30	—	—	"
PHIL C	F.45	408	4	119	5.90	12	7	"
PHIL C	F.50	293	2.10 A	95	4	44	4.30	"
PHIL P	F.32.50	10	0.10	—	—	—	—	"
PHIL P	F.35	—	—	5	1	—	—	"
PHIL P	F.40	144	1.10	178	2	—	—	"
PHIL P	F.45	82	2.80	40	3.70	10	4.60	"
PHIL P	F.50	20	6	—	—	2	7.20 A	"
RD C	F.80	2	36	—	—	—	—	F.116
RD C	F.90	25	26	—	—	—	—	"
RD C	F.100	24	16.80	2	17	—	—	"
RD C	F.110	95	8	93	9.80	10	11	"
RD C	F.120	130	3.20	671	5.30	3	7.10	"
RD P	F.90	5	0.40	—	—	—	—	"
RD P	F.100	—	—	5	2.50	—	—	"
RD P	F.110	130	8.50	5	6	20	7.50 B	"
RD P	F.120	2	9.20	—	—	—	—	"
UNIL C	F.180	2	25.10 B	—	—	—	—	F.215.80
UNIL C	F.200	14	15.50	23	19	—	—	"
UNIL C	F.220	25	7	3	10	—	—	"
UNIL C	F.240	—	—	10	4.50	25	5.50	"
UNIL P	F.190	7	2.50	8	3.70	—	—	"
UNIL P	F.200	21	4.20	13	7.50	—	—	"
UNIL P	F.220	3	15.10 B	—	—	—	—	"
		May		Aug.		Nov.		
12¾ NL 81 87-91								
C	F.127.50	45	1	—	—	—	—	F.128
C	F.130	—	—	—	—	47	1.50	"
P	F.125	100	0.60	511	1.50	—	—	"
P	F.127.50	345	1.60	422	2.50	—	—	"
P	F.130	30	2.50	22	4.50	61	5.50	"
7¾ NL 82 89-93								
C	F.97.50	—	—	40	1	—	—	F.97
P	F.97.50	—	—	50	2	—	—	"
P	F.100	150	3.40	55	4.30	—	—	"
P	F.102.50	200	5.50	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 11,419

A=Asked B=Bid C=Call P=Put

LONDON RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	15/4	145	128	✣Airship Inds	128		—	—	—	—
—	F.P.	—	100	85	Atl'tc M'trp'n U.S.0.10	90	—5	Q8c	0.6	5.9	38.5
§63	F.P.	—	103	95	✣Bensons Crisps 10p	97		g1.9	3.1	2.8	12.8
§110	F.P.	—	160	130	✣Bryant (Derek) 10p	130		u5.25	2.0	5.8	12.7
¶225	F.P.	6/5	253	220	Datastream 5p	227	+5	b2.25	3.5	1.4	28.7
‡	F.P.	—	60	34	✣IntervisionVideo10p	34	—1	1.0	2.1	4.2	15.5
§80	F.P.	—	135	110	✣Lorin Elect. 20p	132	—3	b1.0	5.0	1.1	22.0
§94	F.P.	—	150	142	✣Microlease 10p	147	3	ud2.0	2.5	1.9	23.8
§60	F.P.	—	143	120	✣Miss World Grp. 10p	120	—2	b3.0	2.5	3.6	16.3
¶¶65	Nil	—	18pm	8pm	✣Mnemos 10	8pm	—3	—	—	—	—
¶1350	F.P.	—	368	350	Octopus Publish. 20p	360		±8.0	2.5	3.2	17.1
§£48	F.P.	—	£67	259	Perstorp AB Free 'B'	£59		Q9.84	‡	5.2	0.7	25.0
‡‡	F.P.	—	36	27	✣Rivlin I. D. & S. 5p	31		F0.1	—	0.5	—
§106	F.P.	—	153	132	✣Spring Ram 10p	132	—3	u3.0	2.3	3.3	15.5
§47	F.P.	—	80	69	✣Strikes Rests. 10p	69	—2	g1.35	3.5	2.8	14.4
§72	F.P.	30/5	113	89	✣Utd. Packaging 1p0	104		b2.5	3.2	3.4	11.1
‡	F.P.	—	44	38	✣Yorkgreen Inv. 1p0	41		b1.4	2.5	4.9	9.2

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
3	Nil	—	50pm	5pm	Bilbrosted Con. Cum. Red. Pref. '91-93	45pm	....
¶¶100	Nil	—	20pm	16pm	✣Booth 10% Con. Uns. Ln. 1990	20pm	—
—	£20	—	19½	19¼	Bristol 11½ pc Red. 2016	19	+¼
—	£25	—	25	24½	Brixton Est. 11¾pc Deb	24½	—½
¶¶	F.P.	20/5	100	95	Brooke Tool 17% Conv. Cum. Prf. 50p	100	....
1100	Nil	—	17pm	12pm	Eastern Prod. 10½% Con. Uns. Ln. '97-2002	12pm	—1
¶101	£10	—	12	11¼	Folkestone&Dist. Water7% Red.Pref. '88	11¼	...
18	£25	30/6	28	24¼	Hambros Inv. 6-17% Stpd. Deb. 2018	26¼	—¼
‡	F.P.	—	225p	130p	✣Intervision 7% Cnv. Red. Prf.	130p	....
—	—	—	100⅝	99	Nationwide Bdg. Soc. 11¼% Bds. 19.3.84	100⅝	....
—	—	—	100⅜	100⅛	Do. 11¼% Bds. 9.4.84	100⅜	....
—	—	—	100⅛	100	Do. 10⅞% Bds. 30.4.84	100	....
¶¶	F.P.	20/5	15½p	11p	Newman Inds. 10% Cm Cnv Red.Prf.10p	15p	—
¶¶	F.P.	—	102	100¼	NewThrogmortonTst.(83)12.5pcD.2008	100¼	—¼
§97.174	£25	6/5	32¾	22	Pearson (S) 10% Uns. Ln. 2007	32	—
99.772	£25	—	26	25	Sunderland 11¾% Red. 2008	25½	..
¶100	F.P.	9/6	102	101½	Sutton Dist. Water 7% Pref. 1988	101½	...
‡	Nil	—	12pm	8pm	Tomatin Distillers 7pc Cum. Cnv.Pref.	8pm	—1
100	F.P.	—	112p	105p	Wellman Eng. 10% Cum. Irr. Conv. Pref.	112p	—2

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price p	+ or −
75	F.P.	12/4	15/5	94	85	✣Aidcom Int. 10p	85	....
65	F.P.	26/4	3/6	106	97	BSR 10p	101	+3
10	F.P.	8/4	20/5	15½	11½	Bluemel Bros	13	....
155	F.P.	8/4	31/5	206	175	Brit. Car Auctions 10p	204	....
220	F.P.	28/4	20/5	318	270	Collins (William)	318	....
175	F.P.	28/4	20/5	270	220	Do. A	270	....
45	F.P.	30/4	3/6	53	49	Comben Grp. 10p	50	....
42	Nil	—	—	39	21½pm	Combined Tech. 10p	21½pm	—3½
85	Nil	—	—	39pm	34pm	Dubilier 5p	39pm	+1
22	F.P.	29/4	24/5	26	23½	East Rand Cons. 10p	26	....
95	F.P.	18/4	16/5	116	105	Ferguson Ind.	110	....
385	F.P.	—	27/5	628	522	Fisons £1	628	+1
153	F.P.	11/3	10/6	184	162	Geers Gross 10p	184	....
30	F.P.	12/4	20/5	51	40	Guinness Peat	49	—1
162	F.P.	27/4	18/5	192	168	Hampton Gld Mining 10p	188	—2
260	F.P.	15/4	13/5	334	304	Harris Queensway	334	+4
198	Nil	—	—	48pm	12pm	✣Immediate Business 10p	15pm	....
Ir£0.80	F.P.	—	—	98	92	Irish Distillers	98	....
185	F.P.	20/4	17/6	330	215	LASMO	328	—2
110	Nil	—	—	15pm	2pm	Leisuretime Int. 10p	2pm	....
140	F.P.	28/3	6/5	194	168	Magnet & Southerns	168	—1
290	Nil	—	—	115pm	75pm	Mills & Allen	77pm	+2
176	F.P.	—	—	248	224	Mowlem (J)	235	....
A$1.50	P.P.	28/4	26/5	115	67	North B. Hill 50c	100	—5
1.25	Nil	—	—	17½pm	14½pm	Norton (W.E.) 1p	15pm	—1
—	Nil	—	—	14½pm	10pm	Sheffield Brick	10pm	—1
390	Nil	—	—	58pm	40pm	Standard Chartered Bank£1	52pm	—1
81	F.P.	25/3	6/5	100	97	Valor	100	....
140	Nil	—	—	115pm	105pm	Warehouse Gp.	105pm	....
15	F.P.	26/4	27/5	25½	22	Whittington Int'l	24	—¼

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ¶¶ Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✣ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Fall expected in world wheat output, Page 37

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday April 29 1983

ØØ

WALL STREET

Measure of resilience returns

FINANCIAL markets on Wall Street were in good form again yesterday after giving a favourable reception to the *Treasury funding announcement which* came late in the previous session, *writes Terry Byland in New York.*

Yields in the Treasury bill sector were several points down and retail buyers *reappeared in the Federal bond mar*kets, where confidence was boosted by another systems repurchase arrangement by the Federal Reserve.

The equity market quickly climbed to *new peaks, shaking off the profit takers* with the help of trading statements from Mobil and Standard Oil of Ohio.

At the close, the Dow Jones Industrial average was 11.12 up at a new peak of 1219.52 – just below the day's best of 1220.10. Turnover was below Wednesday's record levels, with 94.7m shares traded.

Airline issues were mixed, however, as the market assessed the latest round of quarterly results.

Mobil jumped by $1 to $30⅞ on news of higher earnings in the first quarter, which provided a further indication that oil company results are exceeding market forecasts.

Exxon added $⅝ to $34⅞, while Standard Oil Ohio edged up by $¼ to $46¾ despite a fall in profits.

Standard Oil of California remained firm, adding $⅛ to $39⅝.

United Airlines lost $½ to $32¾ on disclosing a $93.4m loss for the opening quarter and Delta Airlines, at $42¾, was $¾ off, also after a loss-making announcement.

Pan American lost $⅛ to $5¼ in response to the latest fund-raising plans.

News of a substantial recovery in the first quarter at Hoover, the household appliance group, put $1⅛ on the shares to $18⅞.

Motor shares looked mixed with General Motors $⅞ higher at $65⅝, but Ford weak at $48, a net $⅝ down on further consideration of the results. Chrysler shed $1 to $24⅜ after the chairman had warned that only half the workers laid off were likely to be re-employed by the company.

There was hefty selling of Warner Communications, $1⅝ down at $26⅛ after Mr David Londoner, analyst at Wertheim, the New York brokers, reduced his forecast for this year's earnings to 95 cents a share. Last year Warner earned $3.96 a share but all predictions have been revised downwards since the company disclosed a $19m loss for the first quarter. Another brokerage house told clients that it declined to make any forecast at all.

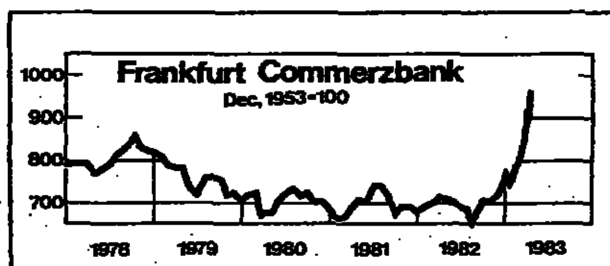
Credit markets displayed resilience in the face of a $15bn Treasury financing for May, somewhat larger than expected. Yields extended the falls of the previous session by two to five basis points in the case of Treasury bonds, putting the three month notes on a discount of 8.10 and the six months at 8.13. Dealers commented that confidence in a downward trend in interest rates is now clearly established.

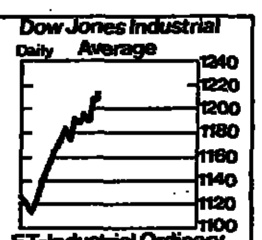
At the longer end, where inflationary expectations have been keeping yields firm, there was a welcome return of retail buyers whose absence has been a discouraging factor for several days.

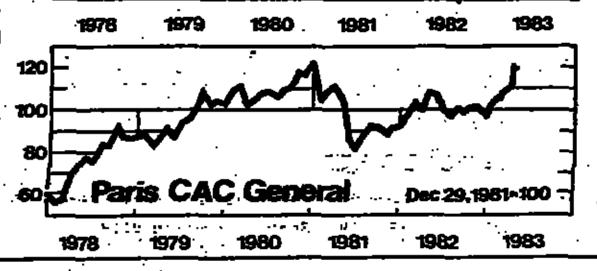
The benchmark long bond, the 10⅜ per cent of 2012, which touched 100 5/32 late on Wednesday, traded yesterday at 99 29/32.

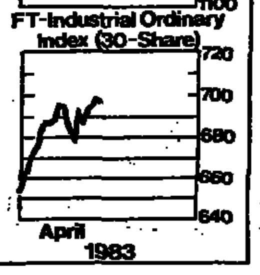
Strength in the oil and real estate sectors took Toronto prices slightly higher and there was a similarly marginal up*turn in Montreal.*

KEY MARKET MONITORS









STOCK MARKET INDICES

NEW YORK	April 28	Previous	Year ago
DJ Industrials	1219.52	1208.40	852.64
DJ Transport	522.16	517.39	345.20
DJ Utilities	127.77	127.17	114.22
S&P Composite	162.95	161.44	117.26
LONDON			
FT Ind Ord	696.8	699.0	582.0
FT-A All-share	441.08	441.51	331.09
FT-A 500	479.84	480.73	359.78
FT-A Ind	443.25	444.13	324.75
FT Gold mines	610.5	647.4	246.5
FT Govt secs	81.60	81.6	67.80
TOKYO			
Nikkei-Dow	8636.56	8634.79	7405.28
Tokyo SE	628.13	626.14	546.62
AUSTRALIA			
All Ord.	587.0	598.8	505.3
Metals & Mins.	517.3	534.7	371.1
AUSTRIA			
Credit Aktien	57.57	56.88	52.44
BELGIUM			
Belgian SE	122.86	122.47	96.49
CANADA			
Toronto Composite	2333.53	2325.3	1566.1
Montreal Industrials	396.35	395.78	264.70
Combined	389.96	388.97	268.17
DENMARK			
Copenhagen SE	138.97	138.31	94.41
FRANCE			
CAC Gen	119.8	118.8	108.3
Ind. Tendance	*124.3*	*123.0*	120.4
WEST GERMANY			
FAZ-Aktien	321.84	321.63	235.53
Commerzbank	963.2	965.6	717.4
HONG KONG			
Hang Seng	1012.61	1033.76	1299.65
ITALY			
Banca Comm.	198.95	194.38	192.38
NETHERLANDS			
ANP-CBS Gen	124.3	126.3	93.8
ANP-CBS Ind	102.3	104.6	73.8
NORWAY			
Oslo SE	184.31	185.85	106.01
SINGAPORE			
Straits Times	953.13	956.67	763.98
SOUTH AFRICA			
Golds	868.2	915.8	426.3
Industrials	908.7	916.4	593.3
SPAIN			
Madrid SE	108.72	108.7	123.13
SWEDEN			
J & P	1426.88	1427.76	563.32
SWITZERLAND			
Swiss Bank Corp	326.3	326.3	257.7
WORLD	Apr 27	Prev	Yr ago
Capital Int'l	175.9	175.7	137.1

GOLD (per ounce)

	April 28	Prev
London	$429.00	$431.50
Frankfurt	$428.50	$434.25
Zürich	$428.50	$434.50
Paris (fixing)	$429.86	$435.45
New York (May)	n/a	$432.00

** Indicates latest pre-close figure*

CURRENCIES

	U.S. DOLLAR April 28	U.S. DOLLAR Previous	STERLING April 28	STERLING Previous
£	1.5595	1.5660	–	–
DM	2.4645	2.4510	3.8450	3.84
Yen	237.90	236.55	371.50	370.75
FFr	7.3830	7.3435	11.5250	11.4975
SwFr	2.0650	2.0555	3.2250	3.2225
Guilder	2.7775	2.7650	4.3350	4.3325
Lira	1464.75	1459	2284	2284
BFr	49.14	48.86	76.65	76.55
C$	1.22725	1.22725	1.9135	1.9210

INTEREST RATES

Euro-currencies (three month offered rate)	April 28	Prev
£	10 9/16	10 9/16
SwFr	4½	4¾
DM	5 1/16	5 1/16
FFr	13¼	13¼
FT London Interbank fixing *(offered rate)*		
3-month U.S.$	9 1/16	9⅛
6-month U.S.$	9 3/16	9¼
U.S. Fed Funds	8¾	9
U.S. 3-month CDs	8.60	8.70
U.S. 3-month T-bills	8.11	8.10

U.S. Treasury Bonds

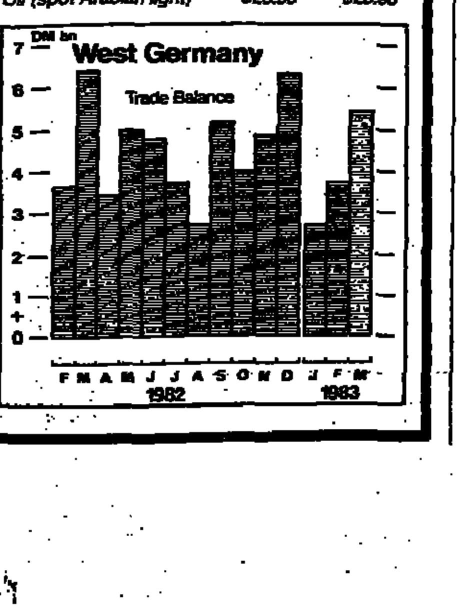
	April 28 Price	April 28 Yield	Prev Price	Prev Yield
9½ 1985	99 27/32	9.61	100 9/32	9.36
10⅛ 1990	100 11/32	10.33	101 27/32	10.12
10⅜ 1993	*102 9/32*	*10.43*	*103 7/32*	*10.24*
10⅜ 2012	99 17/32	10.53	100 3/32	10.37

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	78–19	78–24	78–03	78–13
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.95	91.96	91.90	91.95
Cert Deposit (IMM) $1m points of 100%				
June	91.48	91.49	91.35	91.43
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.09	91.10	91.03	90.99
20-year Notional Gilt £50,000 32nds of 100%				
June	105–14	105–23	105–10	105–19

LONDON COMMODITY MARKETS

	April 28	Prev
Silver (spot fixing)	755.60p	784.85p
Copper (cash)	£1114.00	£1117.50
Coffee (May)	£1878.50	£1842.50
Oil (spot Arabian light)	$28.90	$28.90



LONDON

Surge loses momentum after hours

IMPRESSIVE first-quarter earnings from industry leader ICI encouraged another London equity market surge yesterday. Once again, the advance looked convincing during official market hours but values retreated markedly in the after-hours trade to leave the FT Industrial ordinary share index a net 2.2 down at 696.8; at 1 pm it stood 3.6 up at 702.6.

The *chemical giant's midday* announcement of profits substantially higher than brokers' recently-upgraded estimates, dispelled earlier share market uncertainty. This had resulted from a *combination of slightly softer* New York sentiment overnight and cautious analysts' views on the immediate outlook for UK equities.

ICI, still regarded as the market bellweather, traded heavily after being raised sharply to around 490p and held much of the gain before slipping late to settle only 4p up on balance at 478p; this represents a remarkable advance of some 200p since last August. Trading statements from other top-name groups complemented the afternoon firmness.

Gilt-edged trading was slow again, but enlivened by the announc*ement* of a unique £1bn issue of index-linked Treasury 2½ per cent convertible stock 1999, payable £40 at tender; the stock will be convertible into new 10¼ per cent conver*sion stock 1999. When dealings* resumed after the customary recess, all existing index-linked issues fell, some by 1½ points. Conventional gilts held at their official closing levels to show small *mixed change on overnight* prices.

London Brick – jumped to 157p, helped by takeover talk before closing a net 7p up at 155p; Tarmac, suggested as the possible bidder, lost 6p to 432p.

Exco International continued to drift in a narrow market reflecting some disappointment with the long-awaited New York debut of the financial information service, Telerate. Exco closed 29p cheaper to record a two-day fall of 50p at 653p, while British and Commonwealth, which owns around 13 per cent of Telerate, fell 20p to 840p.

The continuing lack of interest in precious metals depressed the bullion price and led to a burst of selling of South African golds.

Share information service, Pages 38–39.

AUSTRALIA

Easier trend

A RISE in the inflation index and concern over new share issues absorbing available investment funds left shares marked down in **Sydney**. At the close, the All Ordinaries index was 11.8 lower at 587 with the All Industrials 10.9 down at 736.1, and the All Resources 12.5 off at 466.8.

Comalco was active with 2.49m shares traded. It closed 11 cents lower at A$2.65 in **Melbourne** and 23 cents down at A$2.55 in Sydney. Gold shares declined with Peko 20 cents easier at A$6.60 after announcing a placement of 2m shares at A$6.50 each. Banks were markedly lower.

SOUTH AFRICA

Golds decline

GOLD SHARES led a broad downturn in Johannesburg as the bullion price fell through the $430 level. Heavyweight producers turned lower by as much as R6.50, in heavy selling, as Harties at R900, and cheaper stocks slipped by up to R1.25, with Unisel at R15.75.

Mining financials also finished lower, while among other mining issues De Beers shed 16 cents at R9.32, Rustenburg Platinum 40 cents at R8.50 and Palamin, the copper miner, R1 at R19.

FAR EAST

Advance continues in Tokyo

SHARES extended their advances in Tokyo and market indices set new records for the third consecutive day, but prices were mixed in Singapore, and Hong Kong suffered a reverse.

International populars led **Tokyo** ahead. The Nikkei Dow industrial average added 1.77 to finish at its third successive all-time high of 8,626.56, on a moderate volume of 460m shares. The average peaked in early trading at 8,660.62 and fell back as profit-taking set in on low-priced, domestic industry issues. The *Tokyo SE index rose 1.99* to a record 628.13.

Foreign demand pushed Matsushita Electric Y50 to Y1,470, whcih encouraged other international populars. Computer makers, *light electricals* and precisions also met good demand with Sony rising Y110 to Y3,590, Hitachi Y12 to Y792, Fujitsu Y27 to Y929 and Canon Y30 to Y1,340.

But despite the rises of the average and the index, losses on the first section of the exchange outnumbered gains by 369 to 324.

Profit-taking took its toll among speculatives, low-priced, large asset issues and stocks related to public spending. The second market continued to rise sharply and its index gained 16.69 to close at a record 1,050.50 in very active trading.

Total net buying in fiscal 1981, with buying declining to $19.76bn from $23.10bn and selling to 16.14bn from $21.6bn.

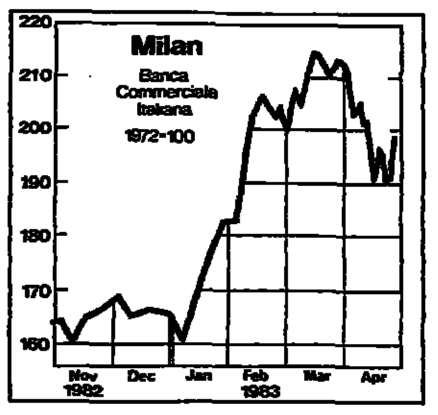
In **Singapore**, an early firmness was not sustained and the Straits Times industrial index fell back 3.54 to 953.13.

Among stocks to advance were Isetan, which rose 20 cents to S$ 5.95, Straits Trading 20 cents to S$ 7.35, Development Bank 15 cents to S$ 10.10 and Overseas Chinese Bank 30 cents to S$ 12.50.

Esso declined 20 cents to S$ 9.30, Jacks International 20 *cents to S$* 5.20 and Keppel Shipyard 18 cents to S$ 4.82.

In **Hong Kong** stocks fell back further in light trading conditions. The Hang Seng Index ended 21.15 down on the day at 1,012.61.

The decline was again attributed to concern over the depressed level of the local currency and also selling pressure on Wheelock Marden, due mainly to speculation about why the 1982 annual report is later than usual. Wheelock "A" eased 15 cents to HK$ 3.50.



EUROPE

Frankfurt consolidates on advances

SHARES took a pause from their recent strong advances in Frankfurt, while Amsterdam displayed a weaker trend. Elsewhere in Europe, however, the bourses showed a mixed to stronger tone.

An easier trend was indicated in **Frankfurt** by the 60-share Commerzbank index, which fell back 2.4 to 963.2 from the 22-year high achieved on Wednesday. However, the more broadly based FAZ index of 100 shares edged ahead to another all-time high of 321.84 – just 0.21 above Wednesday's previous record.

Despite the consolidation, the underlying mood remains confident and this was given an additional boost by the announcement of a DM 5.4bn trade surplus for March.

Companies which have recently issued Eurobonds with warrants weathered the round of profit-taking, with BHF Bank closing DM 9.50 higher at DM 310 and Siemens DM 3.30 ahead at DM 361.50. However, Degussa shed DM 1.50 to 320.50, ex-dividend, ahead of the scheduled launch of its Eurobond with warrants later in the day.

Among the banks, Bayernverein declined DM 4 to DM 366.50 but others suffered smaller losses with Commerzbank 70pf easier at DM 180.30, Dresdner DM 1 lower at DM 196 and Deutsche 10pf down at *DM 346.90*.

Prices of domestic bonds drifted lower in dull trading.

In **Amsterdam**, stocks were depressed for most of the day, turning up only in after-bourse trading. The ANP-CBS general index, which measures activity until midday, ended off 2 at 124.3.

Dutch bonds declined by at least one point on fears of higher domestic interest rates. The official opening had been delayed because of heavy selling in domestic issues.

Shares ended mixed in **Paris**, though advances led declines by 93 to 67 and the *CAC index finished 1 ahead at 119.8.* Wall Street's continued strength provided the impetus for most of the buying and confirmation of an acceleration in French retail price growth failed to deter many investors.

Zurich saw a very active session following Wednesday's surge, with blue chips in strong demand. Major Swiss banks were firmer with the exception of Volksbank bearer, which moved slightly easier. Bank Leu bearer rose SwFr 25 to SwFr 4,075 after reporting higher first quarter earnings.

Belgian share prices were mixed in lively trading in **Brussels** but foreign issues were lower in moderate trading. The Belgian shares index ended ahead at 122.86, after the previous 122.47, but the All-Shares index ended lower at 297.72 against 302.67.

Milan moved strongly ahead as satisfactory earnings reports by several leading companies and expectations of capital operations triggered a bullish trend. Leading insurance and industrial issues led the market higher and the Milan Bourse index ended up 4.57 at 198.95.

Business was dull in **Madrid** but the SE index ended 0.02 firmer at 108.72.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20	5	AAV	.32	1.8	14	78	18	18	18	+1
4	2	AICPh				14	4	4	4	
6	1	ATI			14	127	3	3	3	+
11	2	AcmePr			22	89	7	7	7	−
21	12	AcmeU	.40	2.0	18	6	20	19	20	+
27	2	Action			8	275	u29	28	29	+1
9	5	Actons	.10t	1.3	46	144	7	7	7	+
3		Acto	wt			2	2	1	2	+
5	1	AdroRs	.10	3.6		86	2	2	2	+
27	12	AdRusl	s.10	.4	25	125	25	25	25	
21	11	Adobe	.20	1.1	12	125	18	18	18	+
3	2	AeglsOp			11	296	3	3	3	
21	9	Aeroflx	1.55t	8.6	15	828	18	17	18	
7	2	Aerosoa			12	178	6	5	6	−
25	9	AffHsp	.32	1.4	11	4	23	23	23	+
36	16	AlfPb	s.64	1.8	17	32	36	36	36	−
11	3	AltSix			8	58	10	10	10	−
15	4	ArExp				129	13	13	13	+
16	3	AlbaW	.10e	.6	17	65	16	16	16	+
21	6	AllenT	.75t	4.0		11	18	18	18	
12	6	AlmySt		2	1244	1	9	9	9	
10	6	AlohaA				50	8	7	8	+
24	10	Alphal	s		28	46	21	21	21	−
15	7	Altamil	.40	2.7	8	3	14	14	14	+
1		Altec				16	1	1	1	
8	4	Altec	pf			1	7	7	7	−
2	1	Altex				738	1	1	1	
7-16	1-16	Altex	wt			25		3-16		+1-16
37	25	Alcoa	pf3.75	11.		2200	34	34	34	
45	17	Amdhl	.40	.9	12874	44	43	43		
[illegible]										

B–B–B

[illegible]

C–C–C

[illegible]

D–D–D

[illegible]

E–E–E

[illegible]

F–F–F

[illegible]

G–G–G

[illegible]

H–H–H

[illegible]

I–I–I

[illegible]

J–J–J

[illegible]

K–K–K

[illegible]

L–L–L

[illegible]

M–M–M

[illegible]

N–N–N

[illegible]

O–O–O

[illegible]

P–Q

[illegible]

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

O–O–O

[illegible]

P–Q

[illegible]

R–R–R

[illegible]

S–S–S

[illegible]

T–T–T

[illegible]

U–U–U

[illegible]

V–V–V

[illegible]

W–W–W

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
30	24	WashGs	2.88	11.	8	85	27	26	27	
33	14	WshNat	1.08	3.5	14	1164	31	30	31	
59	28	WasN	pf2.50	4.3		3	58	58	58	−4
22	17	WshWt	2.48	11.	7	179	22	22	22	−
61	28	Waste	.52	1.1	19	4877	48	47	47	−
74	29	Watkin	.60	.8	21	82	73	73	73	+1
5	3	WeanU				98	4	4	4	−
15	5	WebbD			32	683	15	14	15	+
34	17	WeisM	s.56	1.7	15	5	33	33	33	
35	18	WellsF	1.92	5.2	7	1440	u37	35	37	+1
49	46	WelF	pf			21	49	49	49	+
30	17	WelFM	2.80	9.5	13	138	29	29	29	

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

HONG KONG

GERMANY

SPAIN

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

BELGIUM/LUXEMBOURG

SWITZERLAND

SOUTH AFRICA

ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elec	365	+7
Bass	321	+7
Comm Union	157	+7
GEC	232	−6
Hartebeest	232¼	−3¾
ICI	478	+4
Laing (J.) A	110	+15
London & Liverpool	290	+35
London Brick	155	+7
Samuel (H.) A	117	+11
Tesco	134	+5
Wimpey (G.)	149	+6

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Lon & Liv	38	255	−55
Glaxo	17	880	+5
BAT Inds	14	635	−10
Carless Capel	14	200	−15
Carpets Int	14	62	+6
Beecham	13	410	−7
Security Cntrs	13	495	−10
Sotheby's	13	510	−8
ICI	12	474	+2
Pearson (S.)	12	320	+6
BICC	11	243	—
GEC	11	238	−6
Grand Met	11	351	+8
Metal Box	11	204	+2

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (126)

INT. BANK & O'SEAS. GOVT. ISSUES (1)
COMMONWLTH. & AFRICAN LOANS (7)
FOREIGN BONDS (1)
AMERICANS (7)
CANADIANS (4)
BANKS (2)
BREWERS (5)
BUILDINGS (3)
CHEMICALS (3)
DRAPERY & STORES (8)
ELECTRICALS (8)
ENGINEERING (4)
FOODS (3)
HOTELS (3)
INDUSTRIALS (24)
INSURANCE (9)
LEISURE (2)
MOTORS (1)
NEWSPAPERS (8)
PAPER (2)
PROPERTY (2)
SHIPPING (2)
TEXTILES (1)
TRUSTS (14)
OIL & GAS (8)

NEW LOWS (18)

BUILDINGS (2)
Streeters — Watts Blake
STORES (2)
Brown (N.) — Grattan
ELECTRICALS (1)
Humberside
FOODS (1)
Home Farm
INDUSTRIALS (2)
Hanson 9½pc Cnv. 2001-06 — Russell (A.)
PROPERTY (1)
Parkdale
OIL & GAS (1)
Sunmark

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

Thur April 28 1983

FIXED INTEREST

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

ICI to increase prices of PVC

IMPERIAL Chemical Industries confirmed that prices of its suspension grades polyvinyl chloride (PVC) will rise next month.

This will put up the UK price for these grades by 7 per cent to £450 per tonne. In continental markets the price per kilo will rise to DM 1.75 from DM 1.6.

RISES AND FALLS

	Rises	Falls	Same
British Funds	22	27	49
Corpns. Dom. and Foreign Bonds	8	2	70
Industrials	270	288	780
Financial and Prop.	86	137	298
Oils	23	24	64
Plantations	—	10	12
Mines	4	76	73
Others	64	50	71
Totals	473	614	1,417

FINANCIAL TIMES STOCK INDICES

	April 28	April 27	April 26	April 25	April 22	April 21	year ago
Government Secs.	81.60	81.60	81.71	81.60	81.24	81.60	67.86
Fixed Interest	83.71	83.71	83.72	83.72	83.97	84.04	68.12
Industrial Ord.	696.8	699.0	695.2	693.3	688.0	692.0	582.0
Gold Mines	610.8	647.4	644.3	655.1	643.9	649.2	246.5
Ord. Div. Yield	4.49	4.47	4.49	4.51	4.54	4.52	5.44
Earnings, Yld.% (full)	9.15	9.13	9.16	9.20	9.26	9.20	11.40
P/E Ratio (net) (*)	13.23	13.26	13.22	13.17	13.08	13.18	10.98
Total bargains	25,765	23,862	22,509	23,300	25,702	23,858	17,394
Equity turnover £m.	—	289.87	220.65	212.05	272.80	308.11	121.9
Equity bargains	—	21,715	21,251	25,767	26,175	22,876	15,033
Shares traded (ml)	—	169.4	123.1	130.2	178.9	188.7	106.6

10 am 698.5. 11 am 696.8. Noon 699.3. 1 pm 702.6.
2 pm 702.1. 3 pm 701.1.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.
Nil=12.40.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.56 (18/4)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (28/10/71)

S.E. ACTIVITY

	April 27	April 26
—Daily		
Gilt Edged Bargains	167.8	168.5
Equities Bargains	140.7	137.7
Value	585.9	446.0
5-day Avrge.		
Gilt Edged Bargains	157.0	156.0
Equities Bargains	151.4	150.8
Value	524.5	536.9

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

	Apr 28	Apr 13	Apr 6	Year Ago (Approx)
Ind. div. yield %	4.94	4.14	4.39	5.72
Ind. P/E Ratio	13.78	13.48	12.94	7.75
Long Gov Bond Yield	10.44	10.41	10.40	12.92

N.Y.S.E. ALL COMMON

RISES AND FALLS

	Apr 28	Apr 27	Apr 26
Issues traded	1881	1926	926
Rises	949	825	27
Falls	558	784	537
Unchanged	281	328	364

MONTREAL

TORONTO

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

R—R—R

S—S—S

T—T—T

U—U—U

V—V—V

W—W—W

X—Y—Z

NEW YORK CLOSING PRICES

Continued from Page 35

X—Y—Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
46¾	27⅛	Xerox	3	6.3	10	6050	u47¾	46⅝	47⅜	[illegible]
53¾	49⅞	Xerox	pf5.45	10.		7	53¾	53⅝	[illegible]	[illegible]
26¾	10¾	XTRA		2.5	[illegible]	342	26⅛	25¾	[illegible]	[illegible]
28	17⅞	ZaleCp	1.28	4.5	[illegible]	77	u28¼	[illegible]	28	[illegible]
21⅞	11⅝	Zapata	.84	5.1	8	502	16⅞	16	[illegible]	[illegible]
87½	31½	Zayre	.80	.7	18	30	84¼	[illegible]	[illegible]	[illegible]
18¼	9¼	ZenithR				3484	16¾	[illegible]	[illegible]	[illegible]
39½	13½	Zero	s .48	1.5	20	[illegible]	32¾	[illegible]	[illegible]	[illegible]
36¾	19¾	Zurmin	1.32	3.7	9	104	36¼	[illegible]	[illegible]	[illegible]

COMMODITIES AND AGRICULTURE

Asarco sees growth in copper

DEMAND for copper is expected to grow at a rate of 1.5 to 2 per cent during the second half of the year, if the economy continues to improve, Mr Richard De J. Osborne, president, told Asarco's annual meeting in New York, reported Reuter.

He said that the modest improvement in demand for copper in recent months represents the beginning of an upturn, but improvements in copper markets normally lag behind an economic recovery by at least six months.

Consumption

Mr Osborne said Asarco's silver operations can remain at profitable levels with a silver price in the $10-12 (£6.40-£7.40) ounce range.

However, although at one point as much as 40 per cent of U.S. copper mining capacity was shut down last year, mines in other parts of the world operated at capacity levels to meet political goals and foreign exchange requirements.

Demand

Asarco expects demand for silver this year to outpace supply levels for the first time since the speculative price increases of late 1979 and 1980. Consumption by the traditional industrial users of silver should continue to increase during 1983.

Mr Osborne noted that domestic U.S. copper consumption fell 28 per cent from 1979 to 1982, while world copper consumption declined 8 per cent.

Our Commodities Staff writes: Silver prices joined sharply yesterday in the wake of gold. The London bullion spot quotation for silver was cut by 29.25p to 755.6p ($11.80) an ounce at the morning fixing. Copper values on the London Metal Exchange were also easier in lack-lustre trading. Further light buying by China was offset by profit-taking selling encouraged by the downturn in precious metals.

World production of wheat forecast to fall to 470m tonnes

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD WHEAT production is forecast to fall to around 470m tonnes this year, compared with 477m tonnes in 1982, according to International Wheat Council's latest market report out yesterday.

A crop of this size, the report comments, together with substantial opening stocks, would be sufficient both to meet world import demand in 1983-1984 and avoid any significant drawing down of stocks.

However, the report adds that it is somewhat early to assess yield prospects and the forecast depends on the assumption of "normal" weather during the remainder of the year.

The report notes that the world wheat area for harvest this year is expected to decline for the first time since 1977, mainly as a result of the acreage reduction programmes (including the payment-in-kind programme) in the U.S. It is estimated the U.S. wheat crop could be about 20 per cent below last year's record 76.4m tonnes.

Prospects remain favourable for wheat in the EEC, where sowings matched the record set in 1982. But drought is expected to cut output in Spain, Portugal and some areas of Eastern Europe. Unseasonable weather is reported to have hit winter wheat crops in some important growing regions of the Soviet Union. Poor germination meant crops had to be ploughed under and the mild winter, without much snow, led to significant frost damage.

The report, however, estimates that grain imports by the Soviet Union for the 1982-83 season (ending in June) will fall to 33.5m tonnes, against 46m tonnes previously. Wheat imports by the Soviets are raised by 1m to 20m tonnes, but coarse grain purchases are expected to decline to 12.5m tonnes.

Gafta gives grain subsidy a cautious welcome

BY OUR COMMODITIES STAFF

AN EEC scheme for subsidising the incorporation of surplus wheat in animal feed, announced last week, represents a belated recognition that the present system of support for cereals "is seriously wrong," according to the UK Grain and Feed Trade Association (Gafta).

"The general level of prices is too high," says a Gafta statement issued this week.

Common Market millers can use only about a third of the 55m a tonne currently produced in the Community each year to turn into flour for human consumption, it says.

Gafta went on: "The high price at which wheat is supported encourages farmers to grow it and production has been rising rapidly. In consequence, the highly subsidised exports of the Community on to the world market have been increasing to an extent that has drawn the Community almost to the brink of a trade war with the world's largest exporter of wheat, the U.S."

Gafta said that the obvious way of reducing excess wheat stocks would be to abolish excessive support prices so that it could compete with other feed grains. "Failing that, the only way to achieve this is to subsidise its price to (animal feed) compounders," it said.

Hawke call in Australian wool strike

By Michael Thompson-Noel in Sydney

AUSTRALIAN WOOL growers have urged Mr Robert Hawke, Prime Minister, to intervene in the strike by wool shearers that in some areas is threatening to decimate prime breeding stock.

The strike is over the introduction of wider shearing combs, which the shearers fear will endanger jobs and pay rates.

Mr Ian McLachlan, president of the Australian Wool Council, contacted the Prime Minister yesterday, saying it was wrong for him to sit back while shearers continued the strike in defiance of the Government, the Arbitration Commission, and the executive council of their own union, the Australian Workers' Union, which has urged a return to work.

Growers are worried that drought-weakened ewes will die during lambing if they remain unshorn, and have forecast hundreds of thousands of stock losses.

● NICKEL USAGE in the non-Communist world should recover 9 per cent this year to 1,085m lbs after falling for an unprecented three successive years, according to Mr Martin Webster, Falconbridge manager for market research.

Sales to the Western market by Comecon countries, mainly USSR and Cuba, could dip this year after rising to 85m lbs in 1982 from 70m tonnes in 1981, he added.

In the long term Soviet sales should increase but a decline this year could reflect reduced demand for hard currency to pay for grain imports and permit the Soviets to resume more normal shipments to other Eastern European countries, he said.

● VENEZUELA WILL in the next few years establish a fully-integrated aluminium industry with the start of a 3m tonnes per year bauxite mine, Luis Herrera Campins' president said.

FARMER'S VIEWPOINT

What we need now is sunshine

THIS SPRING the prices being offered for grass "keep" have been booming. Farmers in some parts of the west of England are bidding from £120 to £180 per acre, and even more for grassland for grazing or mowing over the next six or seven months. Prices are up between 20 to 50 per cent more than last year.

These prices are an interesting reflection of the season and of changes the farming pattern. Selling grass keep by auction is a traditional practice in the grassland areas. Usually it is a means by which a landowner can secure an income by letting a proportion of his grassland on a short term basis without creating a tenancy. Or a farmer may think that it pays him better to let a proportion of his grassland than to invest in the cattle or sheep to graze it.

Those who take the keep are often dairy farmers who have their farms fully stocked, but think it well worthwhile to rent some extra land on which to graze their young cattle or to make hay, so allowing for better use of their own land. Most dairy farms these days are overstocked by traditional standards, so the marginally higher cost of grass keep can be spread over the whole enterprise.

Another factor has been the switch towards arable farming in the western counties where previously the plough was held back by fears of cereal diseases, endemic in the milder climate. Many farmers there now grow some barley and even wheat which they can keep healthy with modern chemicals. They value the straw in particular.

Every acre removed from grass obviously puts pressure on the grassland remaining and increases the competition for the fields which are put up for letting. I saw the evidence of this change in the traditional farming pattern when I drove to Cornwall last week.

But even more significant than the increasing ploughs was the evidence everywhere of the lateness of the season. Except on the coastal fringes of south Cornwall and Devon the growth of grass and the winter sown corn was about what it would normally be in a moderate early March. Few dairy cows were in the fields and the cattle I did see were for the most part puddling around in mud. Many farmers, I was told, were exhausting their reserves of hay and silage and would have to turn the cattle out before long but their grassfields, which should have been full of feed by the end of April, were no more than just green and in many cases a pretty faded brown.

As an indication of the seriousness of the situation prices for hay and straw are still going up. Farmers, who thought they would be able to economise on the costs of compound feeds for their cows, are having to spend more than ever before since cereal prices have soared as a result of shortage of supplies.

On my own farm it has been one of the latest seasons that I can remember. The reason has been not only the frosts of the first three weeks of April but the almost constant rain of the last six weeks. I did all my spring sowing except for 24 acres in the second week of March and had to wait for a month to finish the job. It has been quite impossible to carry out the recommended herbicide and chemical treatments for the growing cereals. The books tell one to pay attention to growth stages one to seven and a whole lot of other things. In a season like this it is best to throw the book away and farm on the tractor seat. Doing the job when its possible without damaging the crop.

I understand the situation is the same over most of the country and where cereals have not yet been sown the chances of a good harvest are poor. Where stands of winter corn are lush, as were a few fields I saw in south Devon, the threat of disease will be very real. What the whole country needs is sunshine.

And my lambs need it most of all. I had a very good lambing and as a result my pastures have a heavier stocking than ever. But instead of lying about in the sun as they should at this time of year, growing into their skins, as the saying is, they are spending most of their time hunched up in the rain. They are growing but have lost the bloom which a milk fed lamb should be carrying. I doubt if I shall sell any fat lambs in May except for a few singles unless the weather changes. Last year I drew my first fat lambs on May 10.

John Cherrington

Uganda's coffee production increases

BY MICHAEL HOLMAN IN KAMPALA

UGANDA EXPECTS to produce 3.2m to 3.3m bags (192,000) tonnes of coffee in the season ending September, 1983, according to Mr Haruna Kibirige, the marketing manager of the Coffee Marketing Board of Uganda.

It will be about 2,000 tonnes up on last year's production and the highest level for several years though still below the 1969 peak of 232,500 tonnes of robusta coffee, the type which accounts for the bulk of output.

The country's stockpile at the end of September last year, said Mr Kibirige, was 1.9m bags (11,400 tonnes).

Coffee accounts for around 95 per cent of Uganda's export earnings, having rise from 58 per cent in 1972 and output of other crops—tea, cotton, tobacco and sugar — steadily declined over the years of the Amin regime.

A major rehabilitation programme for the crops is in its early stages. The European Development Fund and the African Development Bank are putting $41.6m (£26.6m) into the rehabilitation of 44 factories. The EEC is also providing technical and other aid designed to increase the yield.

All but a small proportion of the crop is grown by peasant farmers who have planted about 189,000 hectares for robusta and about 30,000 hectares for arabica, the former grown in a crescent to the west and north of Lake Victoria.

The success of the crop has much impact on nearly a quarter of Uganda's people, for up to 3m including families, it is at at least part of their income from coffee.

An important factor in the gradual recovery has been the increase in producer prices from around seven shillings in 1979 to the current level of 15 shillings a kilo of unsold coffee.

The bulk of the crop is marketed via European and American traders to Europe, the U.S., Japan and Australia.

Uganda's quota allocated by the International Coffee Organisation for this season is 2.3m bags, down 300,000 bags on the preceding year, partly because of the admission of new ICO members and the adjustment of member allocations as a result of withdrawal from the agreement of Hungary and Israel.

Despite doubts of outsiders, Uganda had no difficulty in meeting the ICO quota for 1981-1982 of 2.656m bags—in fact, slightly exceeded it with quota sales of 2.737m bags.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 28 1983	+ or —	Month ago
Metals			
Aluminium	£880	......	£810/815
Free Mkt	$1390/1420	+30	$1330/860
Copper			
Cash h grade	£1114	—5.5	£1105.75
3 mths	£1140.75	—5	£1153.5
Cash Cathode	£1084.5	—6.5	£1062.5
3 months	£1112.75	—4.75	£1114
Gold troy oz	$429	—2.5	$414.5
Lead Cash	£296.25	—0.25	£311.75
3 months	£305.125	—1.125	£323.25
Nickel	£4833	......	£4611
Free mkt	215/240c	+2.5	225/250c
Palladium	$121.50	—4.5	$101.50
Platinum	£265.20	—1.2	£264.40
Quicksilver†	$285/295	......	$320-335
Silver troy oz	755.60p	—29.25	708.00p
3 mths	773.45p	—30.30	724.30p
Tin cash	£8856	+17.5	£9264
3 month	£8787.5	+12	£9290.5
Tungsten	$85.32	......	$83.75
Wolfram 22.04 lb	$89/91	......	$90/92
Zinc Cash	£461.5	—3.75	£462.75
3 mths	£476.75	—2.75	£479.5
Producers	$750	......	$750

	Apr. 28 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$500y	+5	$515
Groundnut	‡	......	$475
Linseed Crude	‡	......	‡
Palm Malayan	$435x	......	$395
Seeds			
Copra Phil	$400y	+5	$345
Soyabean (U.S.)	$260.40z	—3.9	$254
Grains			
Barley Fut. Sep	£110.50	—0.15	£111.90
Maize	£145.00z	......	‡
Wheat Fut. Jul	£135.85	—1.25	£139.50
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1535	—15	£1511
Fut. July	£1294.5	—15	£1275.5
Coffee Ft. July	£1595.5	+22.5	£1598
Cotton A. Index	80.40c	......	79.70c
Gas Oil May	$244.25	—3.25	$234.25
Rubber (kilo)	73.5p	+0.5	80p
Sugar (Raw)	$120wx	......	$113
Wool'ps 64 z.	394p kilo	......	429p kilo

‡ Unquoted. z May. x June. y May-June. v April-June. w April-May. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
Arabian Light	28.90	—
Iranian Light	28.01	—
Arabian Heavy	26.20-26.25	+0.05
North Sea (Forties)	29.70-29.75	—0.03
North Sea (Brent)	29.95	—0.05
African (Bonny L'ht)	29.95-30.05	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	311-315	—
Gas oil	248-254	—
Heavy fuel oil	164-166	—

GAS OIL FUTURES

Prices opened about $1.00 lower and drifted lower in extremely thin trading. Weakness in New York initiated renewed selling and prices fell further, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	244.50	—4.50	251.00
May	244.25	—3.25	248.50-43.75
June	242.50	—4.25	245.50-42.00
July	242.25	—4.25	244.50-42.00
Aug	244.50	—4.00	246.75-44.50
Sept	247.25	—2.75	248.00-46.50
Oct	250.50	—2.75	251.00-50.00
Nov	252.00	—3.75	254.00-52.00
Dec	255.00	—2.50	255.00-54.50

Turnover: 2,276 (2,218) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2½ to $428½-429½ in the London bullion market yesterday. The metal opened at $431¼-432¼, and was fixed at $427 in the morning and $428½ in the afternoon. It touched a peak of $431¼-432¼, and a low point of $426-427.

In Paris the 12½ kilo gold bar was fixed at FFr 102,100 per kilo ($429.86 per ounce) in the afternoon, compared with FFr 102,000 ($429.51) in the morning, and FFr 103,000 ($435.45) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,985 per kilo ($429.01 per ounce) against DM 34,810 ($439), and closed at $428-429.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $430.10 per ounce.

In Zurich gold finished at $427-430.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
May	426.50-29.8	—3.750	429.00
June	431.50-31.7	—4.650	433.80-29.5
July	435.10-35.8	—3.950	—
August	438.50-38.8	—4.250	437.80-32.8
Sept	441.50-42.5	—3.600	—
Oct	445.00-46.0	—3.900	445.00
Nov	448.20-49.1	—3.600	—

Turnover: 1,147 (634) lots of 100 tonnes.

	April 28		April 27	
Gold Bullion (fine ounce)				
Close	$428½-429½	(£274¾-275½)	$431-432	(£275¼-276)
Opening	$431¼-432¼	(£275½-276¼)	$437½-438½	(£278-278¾)
Morning fixing	$427	(£273.250)	$435.50	(£278.700)
Afternoon fixing	$428.50	(£274.788)	$434.25	(£277.423)

Gold Coins Apr. 27					
Krugrnd	$441½-442½	(£283¼-283¾)	King Sov	$103¼-106¼	(£66½-68)
½ Krg	$227½-228½	(£146-146½)	Victoria Sov	$105¼-106¼	(£66½-68)
¼ Krg	$116-117	(£74½-75)	French 20s	$88½-90½	(£56¾-58)
1/10 Krug	$47-48	(£30¼-30¾)	50 pesos Mex	$528-531	(£338¼-340¼)
Mapleleaf	$440½-448	(£282½-283½)	100 Cor. Aust	$419-425	(£268½-271½)
New Sov	$101-102¼	(£64¾-65¼)	$20 Eagles	$560-570	(£359¼-365¼)
½ New Sov	$60-62	(£38½-39¾)			

EUROPEAN MARKETS

ROTTERDAM, April 28.

Wheat — (U.S. $ per tonne): U.S. No 2 Red Winter: May 162, June 160, July 158, Aug 159.50, Sept 162. U.S. No. 2 Northern Spring, 14 per cent protein: May 191, June 185, July 181.50, Aug 179, Sept 178, Oct. 180. U.S. No. 3 Amber Durum: May 195, June 193, July 192, Aug 188, Sept 188, Oct 190. Canadian Western Spring: April/May 10 211.

Maize (U.S. $ per tonne): U.S. No. 3, Yellow: Afloat 149, May 149, June 148, July/Sept 146, Oct/Dec 137.50, Jan/March 143.50 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: May 254.40, June 255.40, July 257.50, Aug 260, Sept 262, Oct 263.60, Nov 263.60, Dec 266.75, Jan 271, Feb 275.25, March 277.25 sellers. Paraguayan: May 251.25 sellers.

Soyameal—(U.S. $ per tonne), 44 per cent: Afloat 220, April 221, May 220, June 223, May/Sept 224, Oct 231, Oct/Dec 234, Nov/March 238 sellers; after April 221 traded. Pellets Brazil: Afloat 226, April 226, May 223.50, June 225, May/Sept 227 sellers. Pellets Argentine: Afloat 224, May 224, June 223.50, June/Sept 224.

PARIS, April 28

Cocoa—(FFr per 100 kg): May 1450/1457, July 1470 bcd, Sept 1548/1558, Dec 1565/1560, March 1580/1600, May 1600/1620, July 1605/1635.

Sugar — (FFr per tonne): August 1740/1750, Oct 1820/1830, Dec 1900/1910, March 2045/2050.

BRITISH COMMODITY MARKETS

BASE METALS

Base-Metal prices were little changed on the London Metal Exchange. Profit-taking lowered Copper to £1,135.5, while Lead closed at £305 and Zinc at £474.25. Nickel was finally £3,185, after £3,210 and Aluminium ended the day at £906.5. Tin moved up on the late Kerb to close at £8,795, having spent most of the day at £8,780.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1111.5-2	-4.75	1115-6	-5.5
3 months	1138-.5	-6.5	1140.5-1	-5
Settlem't	1112	-5	—	......
Cathodes				
Cash	1089.5-90	-1.75	1084-5	-6.5
3 months	1113-4	-4	1112-3.5	-4.75
Settlem't	1090	-2	—	......
U.S. Prod.	—	—	*79-85	......

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,138, 37, 36, 36.50, 38, 37, 37.50, 38, 38.50. Cathodes: Cash £1,090, 89. Kerb: Higher Grade: Three months £1,140, 39.50, 39. Afternoon: Higher Grade: Three months £1,143, 43.50, 44, 44.50, 44, 41, 40.50, 40, 38, 39, 40, 41. Cathodes: Cash £1,084, three months £1,114. Kerb: Higher Grade, three months £1,138, 39, 38.50, 38, 37.50, 37, 38, 35, 36, 37, 35.50, 36, 36.50, 35. Turnover: 43,250 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8840-5	-18	8850-60	+17.5
3 months	8777-80	-14	8785-90	+12
Settlem't	8845	-10	—	......
Standard				
Cash	8840-5	-18	8850-60	+17.5
3 months	8777-80	-14	8785-90	+12
Settlem't	8845	-10	—	......
Straits E.	$31.65	......	—	......
New York				

Tin—Morning: Standard: Cash £8,855, 50, three months £8,780, 85. Kerb: Standard: Three months £8,780. Afternoon: Standard: Three months £8,780, 85, 90. High Grade: Cash £8,860, 55. Kerb: Standard: Three months £8,785, 80, 85, 87, 90, 95, 90. Turnover: 1,600 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	293-.5	-3.25	295-.5	-.25
3 months	304-.25	-3.87	305-.25	-1.12
Settlem't	293.5	-3.5	—	......
U.S. Spot	—	......	*21-24	......

Lead — Morning: Cash £293, three months £303, 04.50, 04, 04.50, 04.25, 04. Kerb: Three months £304.50, 05, 06. Afternoon: Three months £350, 05.50. Kerb: Three months £305, 04.50. Turnover: 6,575 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	460-.5	-6.25	461-2	-3.75
3 months	474-.5	-7	475.5-7	-2.75
Settlem't	460.5	-6.5	—	......
Primw'ts	—	......	*38-40.5	......

Zinc—Morning: Cash £460.50, 60, three months £476, 76.50, 76, 75.50, 75, 74.50. Kerb: Three months £475, 75.50. Afternoon: Three months £476, 76.50, 77, 77.50, 78, 77.50, 77. Kerb: Three months £476, 75.50, 75, 74. Turnover: 12,378 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	881-2	+.75	878-9.5	-5
3 months	907.5-8	+.5	905-.5	-5

Aluminium — Morning: Cash £881, three months £906, 06.50, 07, 07.50, 08. Kerb: Three months £908, 09. Afternoon: Three months £910, 09.50, 09, 08.50, 08, 07, 06.50, 06, 06.50, 05.50. Kerb: Three months £906.50, 06, 06.50, 06, 06.50. Turnover: 13,750 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3090-5	+4.5	3110-20	+7.5
3 months	3175-80	+4	3200-5	+10

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,180. Kerb: Three months £3,195, 3,200. Afternoon: Three months £3,200, 05, 10, 05, 3,200. Kerb: Three months £3,190, 85, 90, 95, 90. Turnover: 1,178 tonnes.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May buyer unquoted, 432, nil; Aug 441, 444, 443; Oct 441, 446, 445-444; Dec 444, 447, 447; Jan 447, 449, 449-447; March 453, 457, 458-455; May 460, 65, 466-463; Aug 470, 475, 478-473; Oct 470, 475, 479-478. Sales: 49.

AMERICAN MARKETS

COTTON

LIVERPOOL—No spot or shipment sales were registered. Doubts about future economic trends kept buyers on the sidelines, and dealings remained light. A few inquiries were received on behalf of customers interested in African and North American styles, but support was only marginal.

INDICES

FINANCIAL TIMES

Apr. 27	Apr. 26	M'th ago	Y'ar ago
272.70	272.45	275.27	248.90

(Base: July 1 1952=100)

REUTERS

Apr. 28	Apr. 27	M'th ago	Y'ar ago
1772.1	1767.9	1786.5	1611.0

(Base: September 18 1931=100)

MOODY'S

Apr. 27	Apr. 26	M'th ago	Y'ar ago
1050.7	1049.0	1048.5	1005.2

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 27	Apr. 26	Month ago	Year ago
Spot	141.86	142.21	138.54	128.94
Fut's	146.04	147.46	142.93	130.52

NEW YORK, April 28

In the gold and silver market reports on Middle East sales in Europe encouraged long liquidation early in the session, but light trade support rallied values to unchanged levels at the close. Copper came under pressure on heavy deliveries on May and on selling associated with weakness to precious metals. A less than expected drawdown in distillate stocks pressured heating oil values. Sugar continued to firm on short-covering ahead of May's expiry and ahead of negotiation for a new International Sugar Agreement which begins next week. Cocoa came under pressure as persistent Brazilian sales led to long liquidation by commission houses. Coffee remained steady on speculative buying ahead of the Brazilian freeze season. Cotton showed a steady tone on support from mill pricing and planting delays. In quiet trade the grain and soyabean complex consolidated to close mixed on light support from forecast of moisture in major growing areas, reported Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
May	1830	1840	1820	1856
July	1855	1879	1850	1882
Sept	1871	1889	1869	1892
Dec	1900	1921	1892	1922
March	1920	1934	1920	1943
May	1941	—	—	1964
July	1966	—	—	1988

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	124.77	125.25	124.75	124.95
July	124.51	125.90	124.50	125.61
Sept	123.38	123.85	123.35	123.80
Dec	122.48	123.00	122.60	122.60
March	119.75	120.20	—	120.19
May	117.50	117.75	117.50	117.63
July	115.50	115.50	115.50	114.90
Sept	113.75	114.00	113.40	113.50

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	7.88	7.91	7.65	7.64
July	8.04	8.08	7.90	7.92
Sept	8.40	8.44	8.30	8.29
Oct	8.68	8.72	8.56	8.59
March	9.60	9.65	9.53	9.53
May	9.81	9.91	9.78	9.74
July	10.03	10.05	10.00	9.99
Sept	10.30	10.30	10.30	10.35

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	65.77	66.20	65.10	66.22
August	63.20	63.40	62.17	63.30
Oct	60.45	60.75	60.05	60.70
Dec	61.25	61.30	60.50	61.30
Feb	60.92	61.10	60.50	61.00
April	61.60	61.70	61.25	61.75

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99½	98¾	Treasury 9¼pc '83	99¾	.....	9.27	10.10
102¼	100¼	Exch. 13½pc '83	101⅞xd	.....	13.25	9.99
99¾	98¼	Exch. 10pc 1983	99¾	+¼	10.00	10.00
97⅞	96¼	Funding 5½pc '82-84‡‡	97	.....	5.67	9.89
101¼	99½	Exch. 11¼pc 1984	100¾	.....	11.15	9.95
104⅝	102½	Exchequer 14pc 1984	103¾xd	−¼	13.50	10.26
94⅞	92½	Exch. 3pc 1984	94½	−⅛	3.17	8.14
102¾	100⅜	Treasury 12pc 1984	102¼	.....	11.71	10.03
107¾	105⅝	Treasury 15pc 1985	107¼	.....	14.01	10.59
107	101⅜	Exch. 12pc Cnv. '85	104⅛	.....	11.52	9.53
90⅞	88⅝	Treasury 3pc 1985	90⅝xd	−⅛	3.31	8.02
102¾	99⅞	Treasury 11½pc 1985	101⅝	.....	11.31	10.64
102	95	Treas 8¾pcCnv '85	97⅛	.....	9.01	10.10
103⅝	103⅝	Exch. 12¾pc 1985	103¼xd	−⅛	11.86	10.77
102½	99⅛	Exch. 11¼pc '86	102⅛	−¼	11.47	10.73
88½	85⅝	Treasury 3pc 1986	87xd	.....	3.45	7.87
27¼	26	Exch. 10½pc Cv '86 (£25pd)	26⅞	+⅛	10.43	10.25
103¾	100¼	Treasury 12pc '86	102¾	−⅛	11.67	10.90
97½	94⅞	Treasury 8¼pc '84-86‡‡	95⅜	+⅛	8.88	10.13
112¼	103¾	Treas. 12¼pc '86 Cnv	110¼	+¼	11.06	8.36
109¾	105½	Exch. 14pc 1986	108⅞xd	−⅛	12.86	10.90
107¼	103⅝	Exch. 13¼pc 1987	106⅞	−⅛	12.39	10.93
83¼	81½	Exchequer 2½pc 1987	81¼	.....	3.05	8.14
100¼	95⅞	Exch. 10½pc 1987	99	−⅛	10.60	10.76
99¼	29¼	Exch. 10½pc 1987A	98⅞	−⅛	10.61	10.84
93⅛	89⅛	Funding 6½pc '85-87‡‡	89¼xd	.....	7.24	9.63
[illegible]	81⅛	Treasury 3pc 1987	81⅝	.....	3.67	8.25
104⅝	99⅞	Treas 12pc 1987	103⅛xd	−⅛	11.61	11.03
93⅛	89⅛	Treasury 7¾pc '85-88‡‡	90¼	.....	8.53	10.25

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

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[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

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[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	250	......	Q25c	10.3	6.0
21	16	Wankie Col. Z$1	19xd	......	Q5c	◆	15.4
28	18	Zam Cpr.SBD0.24	21	–1	—	—	—

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	19	–½	—	—	—
14	6	♥Argosy Gold NL 25c	7	......	◆—	—	—
25	11	Balmoral Resources	19	......	—	—	—
60	42	♥Black Hill Mins.	49	......	—	—	—
74	52	♥Bond Corp.	58	–1	qQ10c	2.3	10.6
156	116	♥Bougainville 1 Kina	143	–3	Q3.42c	1.2	14
297	214	♥CRA 50c	267	–2	¶Q3c	—	0.6
145	60	♥Carr Boyd 20c	80	–10	—	—	—
35	28	♥Central Pacific	29	......	—	—	—
320	210	♥Crusader Oil	285	......	—	—	—
15	8	♥Cultus Pac NL	9½	–½	—	—	—
19	7	♥Eagle Corp 10c	17	......	—	—	—
14	8	♥Endeavour 20c	10½	......	—	—	—
810	500	♥GM Kalgoorlie 25c	530	–15	hQ10c	◆	1.1
*240	170	Hampton Areas 10p	190	–4	t3.75	2.8	2.8
32	15½	♥Haoma NW	24	......	—	—	—
92	30	♥Hill Minerals N.L.	41	–5	—	—	—
21	13	♥Intnl Mining	14	......	—	—	—
42	25	♥Kalbara Min 20c	31½	......	—	—	—
15½	9	♥Keywest Expl	14	......	—	—	—
130	54	♥Kitchener NL 25c	78	–4	—	—	—
180	98	♥Meekatharra 25c	120	–15	—	—	—
43	24	♥Metals Ex 50c	37	–1	—	—	—
52	24	♥Metramar Mins 20c	26	+1	—	—	—
34	18	♥Mid East Mins A$1	32	......	◆—	—	—
279	217	♥MIM Hldgs 50c	245	–10	Q5c	—	1.2
12	5	♥Mincorp 20c	7½	......	—	—	—
8	3	♥Minefields Expl 25c	8	......	—	—	—
46	23	♥Newmetal 20c	42	......	—	—	—
*186	128	♥North B Hill 50c	153	–5	gQ6c	1.3	2.3
64	38	Nth. Kalgurli	45	–2	—	—	—
86	58	♥Oakbridge 50c	73	–1	Q7c	1.7	5.6
78	46	♥Pacific Copper	58	–2	—	—	—
150	64	♥Pancont'l 25c	85	–5	—	—	—
54	35	Paringa Mng & Expln 5p	48	–2	n—	—	—
448	324	♥Peko-Wallsend 50c	370	......	Q1.5c	—	0.2
11	6	♥Pelsart Res NL	8	......	—	—	—
244	172	♥Renison 50c	238	......	‡Q5c	—	‡
210	135	♥Do Defd	205	......	—	—	—
74	52	♥Seltrust 50c	72	......	—	—	—
15	7½	♥Southern Pacific	10	......	—	—	—
50	17	♥Swan Res 20c	37	......	—	—	—
50	39	Utd Goldfields Cpn NL	46	......	—	—	—
24	5	♥West Coast 25c	14	......	—	—	—
38	14	♥Western Coal. 50c	23	......	—	—	—
278	198	Westn. Mining 50c	259	–5	‡Q2½c	◆	‡
93	53	♥Whim Creek 20c	61	–1	—	—	—
19	8	♥York Resources	13	......	—	—	—

Tins

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
245	175	Ayer Hitam $M1	220	......	‡Q95c	1.0	‡
150	83	Geevor	130	......	—	—	—
17	10½	Gold & Base 12½p	17	......	—	—	—
435	290	Gopeng Cons.	410xd	......	20.0	1.4	7.0
600	525	Hongkong	575	......	21.0	◆	5.2
21	15	Jantar 12½p	17	......	1.5	2.8	12.6
210	100	Kamunting $M0 50	205	......	hQ27½c	0.8	3.8
96	56	Malaysia Mng. 10c	90	+2	vQ17.1c	1.6	5.4
45	28	♥Pahang	39	......	B‡0.63	0.8	‡
365	325	Pengkalen 10p	365	......	1.0	—	0.4
330	225	Petaling $M1	325	......	vQ60c	1.3	5.3
220	185	Sungei Besi $M1	228	......	‡vQ185c	0.6	‡
45	40	♥Supreme Corp M$1	45	......	vhQ3½c	◆	2.4
105	93	Tanjong 15p	102	......	g3.5	—	4.9
70	60	♥Tongkah H. Tin $M1	70	......	vQ5c	1.3	2.1
300	190	Tronoh $M1	300	......	hvQ50c	2.3	4.7

Miscellaneous

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	135	Admiral Mines	135	......	—	—	—
90	34	♥Anglo-Dominion	65	......	—	—	—
90	54	♥Anglo Utd. Dev.	80	......	—	—	—
135	60	♥Colby Res Corp.	60	......	—	—	—
485	315	Cons. Murch. 10c	450	–20	‡Q60c	1.9	‡
5½	3	††Explaura Gold	3	......	—	—	—
155	103	♥Highwood Res	130	–5	—	—	—
£21¼	£18	Homestake Mining $1	£18⅝	–⅝	Q40c	—	1.5
495	360	Northgate C$1	385	+5	—	—	—
614	455	R.T.Z.	582	–3	16.0	1.9	4.0
£130	£108	Do.9½%Cv.Ln.'95-2000	£127	–1	Q9½%	21.4	†7.7
50	13	♥Sabina Inds C$1	47	+1	—	—	—
17½	12½	♦Southwest Res 10p	16	–½	—	—	—
530	312	♥Tara Exptn $1	515	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
			Exch. 15pc 1983	£100	......
Albany Inv. 20p	54	......	Nat. 9¾% 84/89	£87⅛	......
Bdg'wtr. Est. 50p	265xc	......	Fin. 13% 97/02	£96⅝	......
Craig & Rose £1	£12	......	Alliance Gas	185	......
Finlay Pkg. 5p	33	......	Arnott	200	......
Graig Ship. £1	£19	......	Carroll (P.J.)	110	......
Higsons Brew	105	......	Concrete Prods.	54	......
Holt (Jos) 25p	920	......	Heiton (Hldgs.)	16	......
I.O.M. Stm. £1	100	......	Irish Ropes	31	......
Pearce (C. H.)	£14	......	Jacob	75xd	......
Peel Hldgs.	200	......	T.M.G.	75	–5
			Unidare	70	–5

OPTIONS

3-month Call Rates

Industrials		House of Fraser	17	Utd. Drapery	14
Allied-Lyons	15	I.C.I.	35	Vickers	12
BOC Grp.	20	"Imps"	11	Woolworth Hld.	27
B.S.R.	12	I.C.L.	8½		
Babcock	16	Ladbroke	20	**Property**	
Barclays Bank	35	Legal & Gen.	38	Brit. Land	8½
Beecham	35	Lex Service	38	Cap. Counties	15
Blue Circle	44	Lloyds Bank	45	Land Sec.	30
Boots	22	"Lofs"	3½	MEPC	22
Bowaters	19	London Brick	15	Peachey	16
Brit. Aerospace	20	Lucas Inds.	15	Samuel Props.	10
B.A.T.	65	"Mams"	12	Town & City	3
Brown (J.)	5	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	35	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	32
Courtaulds	8½	Nat. West. Bank	50	Burmah Oil	18
Debenhams	12	P & O Dfd.	14	Charterhall	5
Distillers	22	Plessey	50	KCA	8
Dunlop	6	Racal Elect.	45	Premier	4
Eagle Star	35	R.H.M.	6	Shell	45
F.N.F.C.	4½	Rank Org. Ord.	17	Tricentrol	19
Gen. Accident	40	Reed Intnl	28	Ultramar	48
Gen. Electric	22	Sears	9		
Glaxo	90	T.I.	16	**Mines**	
Grand Met.	32	Tesco	14	Charter Cons.	28
G.U.S. "A"	55	Thorn EMI	50	Cons. Gold	50
Guardian	42	Trusthouse	28	Lonrho	8½
G.K.N.	15	Turner & Newall	4½	Rio T. Zinc	55
Hawker Sidd.	34	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar improves on firmer interest rates

The dollar was stronger against most currencies yesterday. This reflected a firmer trend in U.S. interest rates following the latest announcement of a $15bn May refunding package. End of month technicalities were also a market factor so that despite the dollar showing a firmer trend, there appeared to be no clear indication on longer term movements in U.S. interest rates.

Sterling finished unchanged from Wednesday on a trade weighted basis, having shown a firmer tendency in early trading.

DOLLAR — Trade weighted index (Bank of England) 122.8 against 126.1 six months ago. The dollar has been firm during a period of extreme uncertainty about oil prices and upheaval in the EMS. U.S. interest rates have not fallen as once expected and although better money supply figures have led to renewed hopes, future trends remain obscure.

The dollar closed at DM 2.4645 from DM 2.4510 and SwFr 2.0650 from SwFr 2.0555. It was also higher against the Japanese yen at Y237.90 from Y236.55 and FFr 7.3830 compared with FFr 7.3435.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade weighted index 84.2 against 84.3 at noon and 84.4 in the morning and compared with 84.2 on Wednesday and 92.4 six months ago. Sterling has benefited from hopes that oil prices will remain stable following the latest Opec settlement, the possibility of a Conservative victory at an early general election, and an expected period of stability in domestic interest rates.

Sterling opened at $1.5650-$1.5660 and traded in a range of $1.5540 to $1.5680 before closing at $1.5590-1.5600, a fall of 65 points. It was slightly firmer against European currencies, however, closing at DM 3.8450 from DM 3.84 against the D-mark and SwFr 3.2250, compared with SwFr 3.2225. Against the French franc it rose to FFr 11.5250 from FFr 11.4975 and Y371.5 from Y370.75.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade-weighted index 129.5 against 126.2 six months ago. The D-mark has been weak against most of its EMS partners since the realignment of the system in late March, requiring frequent support to remain within agreed limits. Economic fundamentals remain in favour of the German currency however but high real U.S. interest rates and stable oil prices have also pushed the dollar and sterling higher against the D-mark.

The Bundesbank sold $90.55m when the dollar was fixed at DM 2.4627, compared with DM 2.4527 previously. The central bank was also probably active selling dollars before the fixing, as the market remained very bullish about the U.S. currency. Sterling rose to DM 3.8490 from DM 3.8430, but the other major currencies showed mixed changes. The Swiss franc fell to DM 1.1924 from DM 1.1939, and the French franc to DM 33.3450 per 100 francs from DM 33.35.

FRENCH FRANC — Trading range against the dollar in 1983 is 7.3725 to 6.6060. March average 7.0172. Trade-weighted index 70.2 against 73.1 six months ago. The French franc is now placed near the top of the EMS after the realignment, allowing the authorities to lower interest rates a little. Although unpopular domestically the latest package of austerity measures should help reduce France's sizeable current account and Budget deficits.

The franc lost ground to most currencies at the Paris fixing, but improved against the Swiss franc and Irish punt. The dollar rose to a record high of FFr 7.3875 from FFr 7.3570, and sterling advanced to FFr 11.5470 from FFr 11.5310. The D-mark was only marginally firmer, however, at FFr 2.9986, against FFr 2.9985, remaining near its minimum allowed limit within the EMS.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.1222	+1.70	+0.50	±1.5430
Danish Krone ...	8.04412	8.05197	+0.10	−1.10	±1.6419
German D-Mark	2.21515	2.26483	+2.24	+1.04	±1.0567
French Franc ...	6.79271	6.79174	−0.01	−1.21	±1.4018
Dutch Guilder ...	2.49587	2.54726	+2.06	+0.86	±1.4941
Irish Punt	0.71705	0.716802	−0.03	−1.23	±1.6696
Italian Lira	1386.78	1346.05	−2.94	−2.94	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 28	£	$		£ Note Rates
Argentina Peso	1 4,083-115,093	73,720-73,770	Austria	26.95-27.25
Australia Dollar	1.7965-1.7985	1.1525-1.1530	Belgium	76.45-77.20
Brazil Cruzeiro	705.56-709.56	452.67-454.93	Denmark	13.61-13.74
Finland Markka	8.4780-8.5020	5.4400-5.4450	France	11.49-11.59
Greek Drachma	129.737-133.087	83.95-84.25	Germany	3.83-3.87
Hong Kong Dollar	10.72-10.74**	6.8785-6.8885	Italy	2260-2295
Iran Rial	132.25*	84.65*	Japan	371-376
Kuwait Dinar (KD)	0.4520-0.4535	0.29030-0.29040	Netherlands	4.31¼-4.35¼
Luxembourg Fr.	76.60-76.70	49.13-49.15	Norway	11.06-11.16
Malaysia Dollar	3.5950-3.6100	2.3080-2.3100	Portugal	153-180
New Zealand Dlr.	2.3650-2.3680	1.5155-1.5175	Spain	203-218½
Saudi Arab. Riyal	5.3750-5.3870	3.4500-3.4510	Sweden	11.65-11.75
Singapore Dollar	3.2750-3.2900	2.1015-2.1035	Switzerland	3.21¼-3.24¼
Sth. African Rand	1.7005-1.7020	1.0905-1.0915	United States	1.55-1.57
U.A.E. Dirham	5.7200-5.7345	3.6715-3.6735	Yugoslavia	121-140

* Selling rates.
** The rate on April 27 should have read 10.73½-10.75½.

CURRENCY MOVEMENTS

Apr. 28	Bank of England Index	Morgan Guaranty Change %
Sterling	84.2	−36.7
U.S. dollar	122.8	+12.1
Canadian dollar	91.2	−17.0
Austrian schilling	120.5	+30.1
Belgian franc	93.9	−1.8
Danish kroner	83.6	−10.5
Deutsche mark	129.5	+57.1
Swiss franc	151.0	+106.8
Guilder	117.7	+25.7
French franc	70.2	−23.2
Lira	52.0	−59.3
Yen	146.2	+69.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

April 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.691708	0.589698
U.S. $	8½	1.08107	0.917565
Canadian $	9.45	*	1.12796
Austria Sch	3¾	18.7349	15.9066
Belgian F	10	N/A	45.1222
Danish Kr	7½	N/A	8.05197
D mark	4	N/A	2.26483
Guilder	3½	2.99510	2.54726
French F	9½	7.98640	6.79174
Lira	17	1583.50	1346.05
Yen	5½	256.214	218.544
Norwgn Kr	9	7.69073	6.52969
Spanish Pta	—	147.927	125.610
Swedish Kr	8½	8.09938	6.86307
Swiss Fr	4	N/A	1.89805
Greek Dr'ch	20½	90.9396	77.0639

*CS/SDR rate for April 27: 1.32919.

THE POUND SPOT AND FORWARD

April 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5540-1.5680	1.5590-1.5600	0.18-0.13c pm	1.19	0.46-0.41 pm	1.11
Canada	1.9118-1.9230	1.9130-1.9140	0.17-0.07c pm	0.75	0.44-0.34 pm	0.81
Nethlnd.	4.31½-4.36¼	4.33-4.34	1⅞-1⅝c pm	4.15	5-4½ pm	4.38
Belgium	76.47-76.86	76.60-76.70	5c pm-5 dis	—	3 pm-7 dis	−0.10
Denmark	13.65½-13.70	13.68¾-13.69¾	¼ore pm-1¼ dis	−0.44	3¼-4¼ dis	−1.09
Ireland	1.2145-1.2230	1.2155-1.2165	0.52-0.65p dis	−5.77	1.27-1.45dis	−4.47
W. Ger.	3.84-3.86½	3.84-3.85	2-1¾pf pm	5.46	5⅛-4⅞ pm	5.07
Portugal	153-155½	153½-154½	525-1940c dis	−96.04	1205-2770d	−51.62
Spain	213.25-213.80	213.35-213.55	175-275c dis	−12.65	500-650dis	−10.77
Italy	2282-2293	2283-2285	7-10lire dis	−4.46	29-32 dis	−5.34
Norway	11.06-11.15	11.07-11.08	3-4ore dis	−3.79	9½-10½ dis	−3.57
France	11.51-11.58	11.52-11.53	1⅞-2¼c dis	2.34	7¼-8¼ dis	−2.88
Sweden	11.67-11.74	11.68-11.69	1-1⅞ore dis	−1.41	2½-3 dis	−0.88
Japan	370½-374	371-372	1.40-1.20y pm	4.20	3.70-3.50 pm	3.88
Austria	27.05-27.20	27.06-27.11	12⅞-11gro pm	5.29	34½-29½ pm	4.74
Switz.	3.21½-3.24½	3.22-3.23	1⅞-1⅝c pm	5.58	4⅞-4⅝ pm	5.58

Belgian rate is for convertible francs. Financial franc 76.90-77.00.
Six-month forward dollar 0.69-0.64c pm. 12-month 0.97-0.82c pm.

THE DOLLAR SPOT AND FORWARD

April 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5540-1.5680	1.5590-1.5600	0.18-0.13c pm	1.19	0.46-0.41 pm	1.11
Ireland†	1.2800-1.2850	1.2810-1.2820	0.75-0.65c pm	6.56	1.92-1.77 pm	5.76
Canada	1.2270-1.2285	1.2270-1.2275	0.02-0.05c dis	−0.34	0.05-0.08dis	−0.21
Nethlnd.	2.7715-2.7800	2.7765-2.7785	0.88-0.78c pm	3.58	2.59-2.49 pm	3.66
Belgium	49.00-49.20	49.13-49.15	5-6c dis	−1.34	13-15½ dis	−1.16
Denmark	8.7475-8.7825	8.7725-7.8725	½-1½ore dis	−1.37	3.20-4.20dis	−1.69
W. Ger.	2.4585-2.4725	2.4640-2.4650	0.90-0.85pf pm	4.26	2.50-2.45 pm	4.02
Portugal	97.50-100.00	98.50-100.00	350-1250c dis	−96.97	800-1800dis	−52.52
Spain	136.35-137.20	136.80-136.90	135-175c dis	−13.56	375-430dis	−11.74
Italy	1463¾-1466	1464¾-1465¾	7½-8¼lire dis	−6.35	24-25½ dis	−6.76
Norway	7.1050-7.1225	7.1125-7.1225	2½-3½ore dis	−5.06	7¾-8¾ dis	−4.64
France	7.3805-7.4050	7.3805-7.3855	2.15-2.35c dis	−3.65	7.40-7.70dis	−4.08
Sweden	7.4875-7.5050	7.4950-7.5050	1-1½ore dis	−2.00	3-3½ dis	−1.73
Japan	237.35-238.70	237.85-237.95	0.61-0.55y pm	2.95	1.67-1.58 pm	2.74
Austria	17.31½-17.37	17.33¾-17.34¼	6.20-5.40gro pm	4.01	17.25-14.75pm	3.69
Switz.	2.0600-2.0715	2.0645-2.0655	0.81-0.76c pm	4.56	2.33-2.28 pm	4.46

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.30-49.40.

EXCHANGE CROSS RATES

Apr. 28	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.560	3.845	371.5	11.525	3.225	4.335	2284.	1.914	76.65
U.S. Dollar	0.641	1.	2.466	238.2	7.390	2.068	2.780	1465.	1.227	49.15
Deutschmark	0.260	0.406	1.	96.62	2.997	0.839	1.127	594.0	0.498	19.93
Japanese Yen 1,000	2.692	4.198	10.35	1000.	31.02	8.681	11.67	6148.	5.151	206.3
French Franc 10	0.868	1.353	3.336	322.3	10.	2.798	3.761	1982.	1.660	66.51
Swiss Franc	0.310	0.484	1.192	115.2	3.574	1.	1.344	708.2	0.593	23.77
Dutch Guilder	0.231	0.360	0.887	85.70	2.659	0.744	1.	526.9	0.441	17.68
Italian Lira 1,000	0.438	0.683	1.683	162.7	5.046	1.412	1.898	1000.	0.838	33.56
Canadian Dollar	0.523	0.815	2.009	194.1	6.023	1.685	2.265	1194.	1.	40.06
Belgian Franc 100	1.305	2.035	5.016	484.7	15.04	4.207	5.656	2980.	2.496	100.

FINANCIAL FUTURES

Subdued trading

Futures trading remained subdued in London yesterday. The June Eurodollar contract opened firmer at 91.10 on the London International Financial Futures Exchange, the highest level of the day, and traded within a narrow range, touching a low of 91.03, and closing little changed from the start at 91.09, a rise of 10 basis points on the day.

Total volume of 1,733 was little changed from Wednesday's level, with most activity remaining concentrated in June at 1,319 lots.

Prices rallied towards the close on a better tone in Chicago after an early fall on the announcement of a Treasury refunding package of about $1bn more than most estimates.

A firming of the Federal funds overnight rate was not enough to deter the market, and sentiment was also good despite higher Eurodollar interest rates in the cash market.

Gilt futures had a quiet day, reflecting the lack of activity in cash trading, where prices finished slightly easier. The June contract opened 3/32 higher at 105-20, and rose to a high point of 105-23. It touched a low of 105-10, and finished at 105-14, a fall of 3/32 on the day. The slight decline of the pound against the dollar on the foreign exchanges tended to depress prices.

Volume in the three-month sterling interest rate contract was little changed, with the far dates attracting more business in total than the June month. June opened unchanged at 90.28, the highest level of the day, and moved within a narrow range, reflecting quiet trading on the London money market, where there is little expectation of an early change in interest rates. It fell to 90.25, and closed unchanged.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	91.09	91.10	91.03	90.99
Sept	90.88	90.88	90.77	90.72
Dec	90.60	90.60	90.51	90.46
March	90.39	90.39	90.27	90.24
June	90.15	90.15	89.96	89.94

Volume 1,733 (1,930)
Previous day's open int 3,740 (3,706)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.28	90.28	90.25	90.28
Sept	90.47	90.47	90.44	90.45
Dec	90.43	90.43	90.41	90.42
March	90.27	90.31	90.25	90.31
June	90.15	90.15	90.03	90.14

Volume 478 (516)
Previous day's open int 3,385 (3,386)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-14	105-23	105-10	105-19
Sept	104-30	105-00	104-30	105-04
Dec	107-03	—	—	107-01
March	107-00	—	—	106-30
June	—	—	—	—

Volume 817 (1,234)
Previous day's open int 2,902 (2,737)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 2 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5585	1.5650	1.5535	1.5635
Sept	1.5535	1.5576	—	1.5606
Dec	1.5530	—	—	1.5605

Volume 340 (710)
Previous day's open int 1,820 (1,781)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4069	0.4078	0.4067	0.4096
Sept	0.4121	—	—	0.4144
Dec	—	—	—	—

Volume 167 (40)
Previous day's open int 410 (410)

SWISS FRANCS SwFr £125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4854	0.4865	0.4854	0.4887
Sept	0.4920	—	—	0.4953
Dec	—	—	—	—

Volume 215 (15)
Previous day's open int 418 (418)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4216	0.4219	0.4206	0.4233
Sept	0.4252	0.4262	0.4262	0.4265
Dec	—	—	—	—

Volume 280 (282)
Previous day's open int 758 (567)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	78-18	78-24	78-03	78-13
Sept	77-31	78-04	77-18	77-27
Dec	77-15	77-20	77-03	77-11
March	77-01	77-06	76-22	76-29
June	76-22	76-25	76-10	76-17
Sept	76-11	76-11	76-08	76-07
Dec	76-03	76-03	75-27	75-31
March	75-27	75-27	75-19	75-24
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.93	91.96	91.90	91.95
Sept	91.68	91.71	91.63	91.69
Dec	91.48	91.48	91.42	91.46
March	91.27	91.27	91.23	91.26
June	—	91.06	91.02	91.08
Sept	90.84	90.87	90.84	90.87
Dec	—	90.67	90.67	90.70
March	—	90.51	90.51	90.53

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.45	91.46	91.35	91.43
Sept	91.14	91.15	91.02	91.09
Dec	90.84	90.84	90.75	90.79

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.88	90.88	90.77	90.86
Sept	90.66	90.68	90.53	90.59
Dec	90.37	90.37	90.26	90.32
Feb	—	—	—	—
March	90.14	90.14	90.06	90.09

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.5565	1.5590	1.5530	1.5650
Sept	1.5530	1.5580	1.5506	1.5615
Dec	1.5510	1.5540	1.5500	1.5600
March	—	1.5530	1.5520	1.5595
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	71-18	71-21	71-08	71-15
Sept	70-24	70-28	70-17	70-24
Dec	70-03	70-04	69-29	70-03
March	69-14	69-15	69-10	69-14
June	—	—	—	68-29
Sept	—	—	—	68-15
Dec	68-03	68-06	68-02	68-04
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

UK interest rates steady

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Interest rates showed little change in London yesterday. There was little in the way of fresh factors to stimulate much movement although sentiment remained underpinned by sterling's recent strength. In the interbank market overnight money opened at 10½-10¾ per cent and eased to 10¼ per cent before climbing to a high of 11½ per cent. Closing balances were taken nearer 7 per cent however.

The Bank forecast a shortage of around £550m which was later revised to £500m and then back to £550m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£412m and the unwinding of previous sale and repurchase agreements −£146m. There was also a rise in the note circulation of £30m while on the other hand Exchequer transactions added £120m to the system. Assistance in the morning comprised purchases of £324m of bills, £53m of eligible bank bills in band 1 (up to 14 days) at 10 1/16 per cent and in band 2 (15-33 days) £193m at 10 per cent. In band 3 (34-63 days) it bought £1m of Treasury bills and £11m of eligible bank bills all at 9 15/16 per cent and in band 4 (64-84 days) £66m of eligible bank bills at 9⅞ per cent.

In the afternoon the authorities gave further assistance of £123m, making a grand total of £447m. The afternoon help comprised purchases of £18m of local authority bills and £6m of eligible bank bills at 10 1/16 per cent and in band 2 £3m of Treasury bills and £56m of eligible bank bills all at 10 per cent. In band 3 it bought £21m of eligible bank bills at 9 15/16 per cent and in band 4 £19m at 9⅞ per cent.

In Frankfurt call money remained firm at 5.00-5.10 per cent. The unwinding of recent currency swaps tended to be offset by end of month considerations, including sizeable pension payments. There was also a drain on funds caused by persistent dollar sales by the Bundesbank to support the D-mark. A similar situation was seen in Amsterdam where continued central bank support for the Dutch guilder was cited as one of the main reasons behind a general shortage of short term liquidity and a rise in domestic interest rates.

LONDON MONEY RATES

Apr. 28 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	7-11½	10¼	—	—	10-10½	10-10¼	—	—	—
2 days notice	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10⅜	10¼-10⅜	—	—	10⅛-10⅝	10-10⅛	—	—	—
One month	10 1/16-10⅛	10¼-10⅜	10⅛-10¼	10⅞-10⅝	10¼	10⅛-10⅝	10	10 1/16	10 1/16	10 7/16
Two months	10¼-10⅛	10 3/16-10 5/16	10⅛-10¼	10¾-10⅝	10¼	10½	9⅞	9 15/16	9 15/16	10⅜
Three months	10⅛-10	10 3/16-10 5/16	10⅛-10 3/16	10⅝-10¼	10¼	10½	9¾	9 13/16-9 15/16	9⅞	10½
Six months	10-9 31/32	10 1/16-10⅛	10-10⅛	10½-10⅛	10 7/16	—	—	—	9 13/16	10 7/16
Nine months	10-9 31/32	10 1/16-10 3/16	10⅛	10⅝-10	10 7/16	—	—	—	—	—
One year	10-9 31/32	10 1/16-10 3/16	10-10⅛	10¼-10	10 7/16	—	—	—	—	—
Two years	—	—	10⅛-10½	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive) 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10 15/16-11 per cent; four years 11 per cent; five years 11¼ per cent. фBank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9¾ per cent; four months trade bills 10⅜ per cent.

Approximate selling rate for one month Treasury bills 9 31/32-10 per cent; two months 9 15/16 per cent; and three months 9 27/32-9 13/16 per cent. Approximate selling rate for one month bank bills 10 1/32 per cent; two months 9 31/32 per cent and three months 9 27/32 per cent; trade bills one month 10 7/16 per cent; two months 10 11/32 per cent and three months 10¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7566 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-12 months 10¾ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¾ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Apr. 28	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	10⅜-10½	10⅜-10½	10¼-10⅜	10 3/16-10 5/16	10 1/16-10 3/16	10⅛-10¼
U.S. Dollar	8⅝-8⅞	8¾-9	8¾-9	8⅞-9⅛	9-9¼	9¼-9⅛
Can. Dollar	8-9	8⅝-9¼	9 1/16-9 5/16	9¼-9½	9 7/16-9 11/16	9 9/16-9 13/16
D. Guilder	5-5¼	5¾-6	5 13/16-5 15/16	5 13/16-5 15/16	5 15/16-6 1/16	6⅛-6¼
S. Franc	11-12	3¼-3½	4⅜-4½	4⅜-4½	4⅜-4½	4⅜-4½
Deutschm'rk	4 7/16-4 9/16	4 7/16-4 9/16	4 7/16-4 9/16	4 7/16-5 1/16	5 7/16-5 9/16	5⅜-5 9/16
Fr'nch Franc	12¼-12½	12¼-12½	12¼-12½	13-13¼	14 9/16-14 13/16	16⅛-16⅝
Italian Lira	9-11	13¼-14⅞	14⅝-15¼	15⅛-15⅞	16⅝-17⅛	17½-18½
Belg. Franc Conv.	10-10⅛	10¼-10¾	10-10½	10-10½	10¼-10¾	10½-11
Fin.	10¼-10¾	10¼-10½	10⅛-10⅝	10⅛-10⅝	10¼-10½	10⅜-10⅝
Yen	6 3/16-6⅜	6¼-6⅜	6⅛-6¼	6 3/16-6 5/16	6 5/16-6 7/16	6⅜-6½
D. Krone	5½-6½	8⅝-9⅜	10-10½	10¾-11¼	11¼-11¾	11⅝-11⅞
Asia $ (Sing.)	8 13/16-8 15/16	8⅞-9	8⅞-9	8 15/16-9 1/16	9 1/16-9 3/16	9¼-9⅜

FT LONDON INTERBANK FIXING

(11.00 a.m. APRIL 28)

3 month U.S. dollars		6 months U.S. dollars	
bid 8 15/16	offer 9 1/16	bid 9 1/16	offer 9 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)	8¾-9
Treasury bills (13-week)	8.09
Treasury bills (26-week)	8.12

GERMANY

Lombard	5.0
Overnight rate	5.05
One month	5.075
Three months	5.175
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate	12.5
One month	12.4375
Three months	12.3125
Six months	12.3125

JAPAN

Discount rate	5.5
Call (unconditional)	6.28125
Bill discount (3-month)	6.65625

SWITZERLAND

Discount rate	4
Overnight rate	2-3
One month	4½-4¼
Three months	4 7/16-4 5/16

NETHERLANDS

Discount rate	3½
Overnight rate	5-5¼
One month	5¼-5½
Three months	5¼-5½
Six months	5½-5¾

$ CERTIFICATES OF DEPOSIT

One month	8.60-8.70
Three months	8.65-8.75
Six months	8.75-8.85
One year	9.00-9.20

LONG TERM EURO $

Two years	10½-10⅝
Three years	10⅝-10⅞
Four years	11-11¼
Five years	11¼-11½

SDR LINKED DEPOSITS

One month	8 5/16-8 7/16
Three months	8 5/16-8 9/16
Six months	8½-8¾
One year	8¾-9⅛

ECU LINKED DEPOSITS

One month	8 11/16-8 15/16
Three months	8 7/16-8 11/16
Six months	8⅞-9⅛
One year	9 7/16-9 11/16

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 27, 1983. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.4467
Algeria	Dinar	4.726
Andorra	Fr. Franc	7.3535
	Sp. Peseta	135.87
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (f)	73400.
Australia	Dollar	1.15
Austria	Schilling	17.2575
Azores	Port. Escudo	99.25
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is.	Sp. Peseta	135.87
Bangladesh	Taka	24.15
Barbados	Dollar	2.0113
Belgium	Franc (C)	48.90
	Franc (F)	49.11
Belize	Dollar	2.00
Benin	C.F.A. Franc	367.675
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.98
Bolivia	Peso (c)	44.00
	Peso (f)	198.00
Botswana	Pula	1.0746
Brazil	Cruzeiro	441.65
Brunei	Dollar	2.10
Bulgaria	Lev	0.965
Burma	Kyat	7.8569
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	367.675
Canada	Dollar	1.2267
Canary Is.	Sp. Peseta	135.87
Cape Verde Is.	Escudo	67.746
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	367.675
Chad	C.F.A. Franc	367.675
Chile	Peso (O)	73.76
China	Renminbi Yuan	1.9859
Colombia	Peso (O)	75.24
Comoros	C.F.A. Franc	367.675
Congo P'ple.Rep.of	C.F.A. Franc	367.675
Costa Rica	Colon (O)	40.25
	Colon	40.00
Cuba	Peso	0.8555
Cyprus	Pound*	1.9847
Czechoslovakia	Koruna (O)	6.18
Denmark	Krone	8.7172
Djibouti Rp. of	Franc	177.72
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O)	43.27
	Sucre (F)	82.05
Egypt	Pound* (O)	1.4285
	Pound* (O)	1.2151
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	271.74
Ethiopia	Birr (O)	2.0655
Faeroe Is.	Dan. Krone	8.7172
Falkland Is.	Pound*	1.5667
Fiji	Dollar	1.0096
Finland	Markka	5.425
France	Franc	7.3535
Fr. C'ty in Af.	C.F.A. Franc	367.675
Fr. Guiana	Franc	7.3535
Fr. Pac. Is.	C.F.P. Franc	133.70
Gabon	C.F.A. Franc	367.675
Gambia	Dalasi	2.5551
Germany (E)	Ostmark (O)	2.4518
Germany (W)	Mark	2.4518
Ghana	Cedi	2.75
Gibraltar	Pound*	1.5667
Greece	Drachma	84.15
Greenland	Dan. Krone	8.7172
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	7.3535
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.6504
Guinea Rep.	Syli	22.7948
Guyana	Dollar	2.9808
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	6.878
Hungary	Forint	41.6945
Iceland	Krona	21.576
India	Rupee	9.98
Indonesia	Rupiah	967.00
Iran	Rial (O)	85.2315
Iraq	Dinar	0.31
Irish Rep.	Punt*	1.2879
Israel	Shekel	41.53
Italy	Lira	1457.50
Ivory Coast	C.F.A. Franc	367.675
Jamaica	Dollar (c)	1.7835
	Dollar (f) (1)	3.725
Japan	Yen	237.02
Jordan	Dinar	0.3574
Kampuchea	Riel	n.a.
Kenya	Shilling	12.9822
Kiribati	Aust. Dollar	1.15
Korea (Nth)	Won	0.94
Korea (Sth)	Won	757.00
Kuwait	Dinar	0.291
Lao P'ple D. Rep	Kip	10.00
Lebanon	Pound	4.1596
Lesotho	Loti	1.0881
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.0642
Luxembourg	Lux Franc	48.90
Macao	Pataca	7.1495
Madagascar D. R.	Franc	389.75
Madeira	Port. Escudo	99.25
Malawi	Kwacha	1.1194
Malaysia	Ringgit	2.3068
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp.	Franc	735.35
Malta	Pound*	2.3864
Martinique	Franc	7.3535
Mauritania	Ouguiya	55.95
Mauritius	Rupee	11.081
Mexico	Peso (5)	150.60
	Peso (6)(cont'd)	111.61
Miquelon	Fr. Franc	7.3535
Monaco	Fr. Franc	7.3535
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	6.6063
Mozambique	Metica	29.3456
Namibia	S.A. Rand	1.0881
Nauru Is.	Aust. Dollar	1.15
Nepal	Rupee	14.30
Netherlands	Guilder	2.7635
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.5139
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	367.675
Nigeria	Naira (O)	0.692
Norway	Krone	7.104
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	12.9078
Panama	Balboa	1.00
Papua N.G.	Kina	0.8444
Paraguay	Guarani (o) (2)	126.00
	Guarani (m) (2)	160.00
Peru	Sol	1306.74
Philippines	Peso	9.926
Pitcairn Is.	N.Z. Dollar	1.5139
Poland	Zloty (O)	88.85
Portugal	Escudo	99.25
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	7.3535
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.5667
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	7.3535
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	1.5552
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1457.50
Sao Tome & Principe DR	Dobra	38.2434
Saudi Arabia	Riyal	3.4505
Senegal	C.F.A. Franc	367.675
Seychelles	Rupee	6.6695
Sierra Leone	Leone (o) (3)	1.255
	Leone (c) (3)	2.45
Singapore	Dollar	2.10
Solomon Is.	Dollar	1.1213
Somali Rep.	Shilling	15.2384
South Africa	Rand	1.0881
Spain	Peseta	135.87
Span. Ports in N. Africa	Sp. Peseta	135.87
Sri Lanka	Rupee	22.955
Sudan Rep.	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangani	1.0881
Sweden	Krona	7.4805
Switzerland	Franc	2.0642
Syria	Pound	3.925
Taiwan	Dollar (O)	39.98
Tanzania	Shilling	9.65
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	367.675
Tonga Is.	Pa'anga	1.15
Trinidad & Tobago	Dollar	2.408
Tunisia	Dinar	0.6576
Turkey	Lira	906.70
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.15
Uganda	Shilling (1st)	120.60
	Shilling (2nd)	267.86
Utd. A'b. Emir.	Dirham	3.6729
Utd. Kingdom	Pound Sterling*	1.5667
Upper Volta	C.F.A. Franc	367.675
Uruguay	Peso	33.375
U.S.S.R.	Rouble	0.725
Vanuatu	Vatu	98.067
	Aust. Dollar	1.15
Vatican	Lira	1457.50
Venezuela	Bolivar (7)	4.2938
	Bolivar (8)	6.00
	Bolivar (9)	8.60
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.605
Yemen PDR	Dinar	0.3453
Yugoslavia	Dinar	79.6573
Zaire Rp.	Zaire	5.663
Zambia	Kwacha (4)	1.182
Zimbabwe	Dollar	0.969

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Jamaica: two-tier FX rate exists, Comm and Fin. (2) Paraguay operates a two-tier system, o=imports, exports and government transactions; m=all other transactions. (3) Sierra Leone: (o) for essential imports: Commercial fortnightly auction of FX. (4) Zambia: Jan 9 20 per cent devaluation against SDR. (5) Mexico: Free market rate. (6) Mexico: Controlled rate covering imports, exports and some debt repayments. (7) Venezuela: three-tier system has developed. This rate is for all essential imports. (8) Venezuela—Non-essential import rate. (9) Venezuela: Floating rate for tourists. (10) Ecuador devalued by 21 per cent.